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# LESSONS ON RETIREMENT

## A Statistical Report of the 1982-83 Survey of Retired TIAA-CREF Annuitants

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# INTRODUCTION

About a decade ago, in the Fall of 1972, TIAA-CREF conducted a study of our annuitants (participants receiving annuity income) to learn about their retirement experiences. Through this study, we obtained information about our retired annuitants' health, housing, residential mobility patterns, activities, general financial condition, and views on retirement.

Our purpose in gathering this information was to assess TIAA-CREF programs and services in the light of fuller data about our annuitants' general condition. Among other things, the findings were used to develop the TIAA-CREF retirement planning seminar which we have so far presented to more than 25,000 TIAA-CREF participants and their spouses throughout the country.

Much changed in the decade following the 1972 study of retired TIAA-CREF annuitants, especially in areas affecting retirees. For example:

- Social Security retirement benefits were indexed to the Consumer Price Index.
- There were periods of exceptionally high inflation rates.
- Medical care costs soared as did energy costs.
- The average age of retirement dropped.
- Amendments to the Age Discrimination in Employment Act prohibited employers from retiring most employees for age before age 70, giving individuals more choice in the retirement decision.
- Preretirement counseling programs became part of many employers' staff benefits packages.
- Retirement communities grew in popularity.
- Older Americans became a more powerful voting and consuming bloc.
- Retrenchment began in certain sectors of higher education resulting in some early retirements.

In addition, the number of TIAA-CREF participants receiving annuity income nearly tripled during this period, increasing from 37,500 at year-end 1972 to 105,000 at year-end 1982. So, many thousands of TIAA-CREF annuitants began their retirements during this volatile period, while about 20,000 of our annuitants lived in retirement throughout the entire period.

Given all that had occurred and changed between 1972 and 1982, TIAA-CREF decided it was again time to survey our retired annuitants and learn how the events of the decade have affected their retirement situations and experiences and to learn whether the many recently-retired annuitants differ from their predecessors.

In October 1982, TIAA-CREF mailed a twenty-page questionnaire to a randomly-selected group of 2,200 TIAA-CREF annuitants aged 60 and older.

The survey questionnaire had seven parts, covering:

- the retirement decision and retirement preparation
- retirement activities
- housing and location
- finances
- health and health insurance coverage
- general biographical information
- personal views on retirement.

The part that covered personal views on retirement contained two open-ended response questions which asked respondents to comment on 1) what they felt were the main attractions and the main drawbacks of retirement and 2) what they would do or have done differently to make their retirement more rewarding. The complete questionnaire is appended to this report.

Response to the survey was exceptional. Eighty-four percent of the survey group returned the questionnaire, including 2% who had not yet retired even though they were receiving TIAA-CREF annuity income and who, following our instructions, did not fill out the questionnaire. About twenty other returns were incomplete or arrived too late to be included in the analysis. A total of 1,794 completed questionnaires were used for data processing and analysis. We attribute the high response rate in part to the anonymity of the survey — all respondents were specifically instructed not to give their names — and also in part to the appeal a study of their own experiences had for the respondents, coupled with their desire to help others prepare for retirement.

This report concentrates on findings that describe the respondents and their situations and experiences in retirement. The respondents' personal views on retirement, expressed in their answers to the two open-ended response questions, are covered only briefly here. A companion report covers personal views on retirement in greater detail and is intended to serve as a retirement planning guide.

In answering the questions, the respondents provided data on approximately 100 separate items or variables. Aggregate responses for each question were analyzed separately against four demographic variables: sex, age, marital status, and former occupation. Differences among respondents according to these

variables are noted wherever they are relevant. In addition, other analyses of data were done, including a procedure called profiling.

Profiling is an analysis of variance technique that identifies the ways in which a particular group of respondents are different from other groups of respondents on certain variables (answers to questions). The profile analysis findings that are shown in this report are all statistically significant at the .01 level of significance, i.e., there is only 1 in 100 possibility that a difference between groups is due to random chance.

Most of the items covered in the 1982 survey also were covered in the 1972 survey of retired TIAA-CREF annuitants. In fact, many of the questions in the two surveys had identical or similar wording. At the end of certain sections of this report, wherever relevant, a brief summary of the 1972 survey findings is presented for comparison to the 1982 survey findings.

The survey's major findings are summarized beginning on page 9. Starting on page 12, the report's first section covers when and why the respondents retired and the preparations they made for retirement. The second section, beginning on page 24, discusses their satisfaction with retirement and with life generally. The third section covers their income and other financial concerns; it starts on page 27. The fourth section, which begins on page 42, looks at the respondents' housing and mobility pattern. The fifth section, starting on page 44, covers their activities in retirement. The sixth section deals with their health and health insurance coverage; it starts on page 48. The seventh section presents some of the information provided by the respondents in their essay replies to the two open-ended questions; it begins on page 51. The final section, starting on page 54, offers descriptive information about the respondents. Appended at the end of the report are a Technical Notes section and a reproduction of the survey questionnaire, which also shows the overall response pattern for each question.

# SUMMARY OF FINDINGS

## THE RESPONDENT GROUP

- The total respondent group had 1,794 people and was 60% male and 40% female.
- The respondents' age range was 60-95. The median age was 71, and females were slightly younger than males, on average. Eleven percent of the respondents were aged 60-64, 33% were aged 65-69, 33% were aged 70-75, and the other 23% were over age 75, including 9% who were age 80 and older.
- Eighty-seven percent of the males but only 33% of the females were married at the time of the survey. Thirty-four percent of the females had never been married, 26% were widowed, and 7% were separated or divorced. Five percent of the males had never been married, 5% were widowed, and 3% were separated or divorced.
- Thirty-nine percent of the respondents, 45% of the males and 29% of the females, had been college-level faculty members for the major part of their work careers. Another 8% of the females and 4% of the males had taught at private elementary or secondary schools for the main part of their work careers. Fourteen percent of the respondents, 15% of the males and 12% of the females, had worked principally in academic administration, mostly (12%) at the college level. An equal proportion of females and males, 22%, had performed non-teaching, non-administrative professional or technical work for the major part of their work careers. The remaining 20% of the respondents, 29% of the females and 14% of the males, had been employed mainly as support-staff personnel — secretaries, maintenance staff, cooks, etc.
- Seventy percent of the respondents had been working at a college or university at the time they retired and 9% were employed by a private school. Fourteen percent had been working for some other type of educational or scientific institution — 6% at a research organization, 5% at an educational service organization, and 3% at a teaching hospital. The other 7% of the respondents were employed outside of education when they retired.
- Seventy-three percent of the respondents had started their TIAA-CREF retirement income within the past ten years (1973-1982) or during the period since the last survey of retired TIAA-CREF annuitants was conducted. More specifically, 28% had begun their TIAA-CREF annuity income within the past three years, 22% from four to six years ago, 23% from seven to ten years ago, 15% from eleven to fifteen years ago, and 7% more than fifteen years ago. Five percent did not answer this question.
- The median number of years respondents had participated in the TIAA-CREF retirement system before starting their retirement income was sixteen, but many had not been "active" participants for the full time in the sense of continual premium payments to their annuity contracts. Former faculty and academic administrators had longer periods of participation before starting income — a median of nineteen years. Clearly, many had a relationship with TIAA-CREF that extended over a long period, often from the first job. Overall, 5% of the respondents had five years or less of TIAA-CREF participation before starting their retirement income, 18% had participated from six to ten years, 20% had participated from eleven to fifteen years, 13% had participated from sixteen to twenty years, 11% had participated from twenty-one to twenty-five years, and 21% had participated for more than twenty-five years. Twelve percent did not answer this question.

## THE RETIREMENT DECISION

- The majority of respondents (67%) retired by choice. Their principal reasons for retiring voluntarily varied, but most (63%) did so because they considered retirement more desirable than continued employment. Among those who did not retire by choice, most (63%) left work when they reached their employer's mandatory retirement age, many with clear reluctance. Those who retired by choice tended to have retired at younger ages than those who did not. Those who retired more recently were more likely to have retired by choice.
- About one-third of the respondents retired at age 65, 40% retired before age 65, and 28% retired after age 65. Just 9% of the respondents had retired before age 60 while another 9% had retired at or over age 70. Former college-level faculty tended to retire at older ages than those with other occupational backgrounds; almost three-quarters of them had retired at or over age 65.
- A comparison with the retirement ages of respondents to the 1972 survey of retired TIAA-CREF

annuitants suggests a trend toward earlier age of retirement across all occupational categories.

## RETIREMENT PREPARATION

- About one-third of the respondents felt they had made very thorough preparations for retirement and about half felt their preparations were not thorough. Twelve percent reported they did not plan at all for retirement. Those who had prepared very thoroughly for retirement were more likely to be well-satisfied with retirement and well-off financially.
- Just over one-fifth of the respondents reported that their last employer offered assistance in planning for retirement. There is an indication that preretirement planning assistance has become more common among educational employers in recent years.

## FEELINGS ABOUT RETIREMENT

- The respondents generally were very happy in retirement. Over 90% were either very satisfied (51%) or reasonably satisfied (41%) with retirement. Just 5% indicated they were not satisfied. Retirement satisfaction was highly correlated with amount of retirement income and with health. Low income by itself did not seem to be a sole cause of retirement dissatisfaction.
- Relatively few respondents viewed retirement in only negative terms. For the most part, those who did were unhappy about being forced to retire from work they enjoyed and/or had a severe health problem. Many respondents viewed retirement positively because it provided relief from some unpleasant aspect of work and allowed them the freedom to do what they wanted.

## RETIREMENT FINANCES

- In general, the respondents were well-off financially. Their reported median 1981 household income was $23,500, with marked differences by former occupation and current marital status. Half reported their current income at least equalled their income before they retired (unadjusted for inflation). The majority believed their incomes allowed them to live very well (22%) or well (39%). Over three-quarters felt their overall financial situation was better (28%) or about the same (50%) as when they retired. Over two-thirds reported they had not had to make any life style adjustments since retiring because of inflation.
- General financial condition was strongly related to retirement satisfaction.
- The respondents who formerly worked in non-academic, non-professional positions generally were worse off financially than other respondents and this was reflected in their comments about retirement's attractions and drawbacks. They were more likely to express unhappiness about their financial situations.
- Only 7% of the respondents were receiving retirement income from just Social Security and TIAA-CREF. Most of the others reported interest and dividend income and half reported other pension income. Two-thirds of all respondents had four or more different sources of income.
- Social Security benefits, including spouse's benefits, provided the greatest proportion of total household income for most respondents, one-third, on average, and especially so for those with lower incomes and fewer income sources. The proportion of total income derived from TIAA and CREF annuities varied widely depending on a number of factors, especially the length of time premiums were contributed to one's TIAA-CREF annuity contracts before retiring.

## HOUSING AND LOCATION

- Seventy-eight percent of the respondents owned their homes: 88% of the married and 59% of the not married. 18% rented: 32% of the not married and 10% of the married. Almost three-quarters of the homeowners no longer were making mortgage payments.
- Forty-three percent of the respondents had relocated either at the start of retirement (26%) or sometime later (17%). A change of residence was associated with increasing age: more than half of those over age 75 had moved since retiring. Most of those who moved did so for one or more of three reasons: to be nearer family or friends, to find a better year-round climate, or to relieve problems they had with their former residence.

## RETIREMENT ACTIVITIES

- The work ethic apparently was still strong in many of the respondents. Almost half had worked for salary after they had retired, although most did so part-time and not solely for financial reasons. Former faculty members, academic administrators, and other professionals were more likely to have worked after retiring. Exactly half had done some volunteer work.

after retiring. Females were more likely to have performed volunteer service, as were those with higher incomes. One-quarter of all respondents both worked for pay and performed volunteer service after retiring. 44% did one or the other, and 31% did neither.

- The respondents, for the most part, were active people. Three-quarters spent time, apart from any work or volunteer service, on five or more different interests and activities. Very few no longer had an active role in the world around them. Many commented on how retirement has afforded them the opportunity to pursue interests they did not have time for when working.

## HEALTH AND HEALTH INSURANCE

- The majority of respondents evaluated their health as excellent (22%) or very good (29%) for their age and only 11% thought their health was poor. Almost three-quarters thought their health had not changed (64%) or had improved (8%) in recent years.
- Ninety-eight percent of the respondents reported having health insurance. All of those age 65 and over participated in Medicare and 90% of them had private health insurance as well. All but 1% of those under age 65 had private health insurance.

## PERSONAL VIEWS ON RETIREMENT

- The major attraction of retirement for many of the respondents was the freedom it afforded them to pursue their own interests. Another major attraction for some was the relief retirement provided from the constraints and the stresses of work.
- There was less consensus among respondents about retirement's drawbacks. Some, in fact, found no drawbacks to retirement, although many of them probably had not been retired long enough to experience any major disappointments. One drawback, especially for respondents who formerly were professionals, was the loss of professional involvement and contacts. Many older respondents had problems with physical changes that occur as one ages. Only a small minority mentioned financial problems as a drawback.
- There was little in the way of common themes to what respondents felt they might have done differently to make retirement more rewarding. Each had his or her own unique situation and unique way of evaluating it. Also, many were sufficiently satisfied or realistic to say they would not have done anything differently.

# THE RETIREMENT DECISION AND PREPARATION FOR RETIREMENT

## REASON FOR RETIRING

Respondents were asked whether they retired by choice or whether there were factors beyond their control that forced them to retire. The majority felt they controlled their labor force exit. Two-thirds indicated they retired by choice at a time they selected, and the other one-third reported they had not retired by choice. Younger respondents were more likely to have retired by choice. 79% of those now aged 60-69 compared to 62% of those aged 70-75 and 52% of those over age 75. Similarly, respondents who had been retired for shorter periods were more likely to have retired by choice. 75% of those retired five or fewer years compared to 60% of those retired for more than five years.

**Retired by Choice.** Those who retired voluntarily were asked to specify their main reason for retiring by selecting from a list of reasons the one that applied (or by writing in the reason in a space provided). All but 1% did indicate their main reason for retiring voluntarily. About half (49%) gave a single main reason and the others gave multiple reasons. Those who indicated multiple main reasons for retiring did not rank their reasons in order of importance.

Table 1 shows the twelve main reasons for retiring most frequently cited by the respondents who retired voluntarily, arrayed by the number of reasons a respondent gave. Predictably, the frequency with which a particular reason was cited varied markedly according to the number of reasons a respondent gave. Some reasons were cited by relatively few of the respondents who indicated a single main reason, yet were cited by substantial proportions of those who indicated multiple main reasons. *Retirement income was sufficient*, for example, was the sole reason for just 4% of those who reported one reason, but was cited by 20% of those who gave two reasons, 61% of those who gave three reasons, and 81% of those who gave four or more reasons.

Among those who gave multiple main reasons for retiring when they did, their reasons tended to cluster around the first five reasons listed in Table 1: *had planned to retire then, felt it was time to retire, wanted to do other things besides work, retirement income was sufficient*, and *wanted more time for self and family*. Similarly, just over two-thirds of those who indicated a single reason for retiring cited one of these five reasons.

Among those who retired by choice, there were some differences between males and females in reported reason for retiring. Fifteen percent of the females and 6% of the males indicated they had retired because their spouse had just retired. Similarly, 5% of the females but none of the males retired to marry. Males were more likely to cite *had planned to retire then*, 53% compared to 37% of the females, and *re-*

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**TABLE 1** MAIN REASON FOR RETIRING BY CHOICE

| | NUMBER OF REASONS GIVEN | | | |
|---|---|---|---|---|
| | ONE % (base = 582) | TWO % (base = 211) | THREE % (base = 205) | FOUR OR MORE % (base = 198) |
| Had planned to retire then | 35 | 43 | 56 | 77 |
| Felt it was time to retire | 18 | 33 | 46 | 73 |
| Wanted to do other things besides work | 7 | 27 | 59 | 89 |
| Retirement income was sufficient | 4 | 20 | 61 | 81 |
| Wanted more time for self and or family | 5 | 21 | 35 | 67 |
| Unhappy with the situation at work | 9 | 16 | 16 | 19 |
| Spouse retired then | 6 | 12 | 14 | 15 |
| Poor health (but still retired by choice) | 4 | 10 | 4 | 5 |
| Took another position/went into own business | 3 | 6 | 2 | 1 |
| Family responsibility | 4 | 3 | 3 | 1 |
| Not performing the job up to own expectations | 1 | 3 | 3 | 7 |
| Married and/or relocated | 4 | 5 | 1 | 3 |

*tirement income was sufficient*, 36% compared to 19% of the females.

One unexpected finding should be noted here. The literature on the retirement decisions of individuals generally holds that adequacy of retirement income is one of the main factors, perhaps *the* main factor, in the decision to retire or continue working. Among the respondents, however, just 29% cited *retirement income was sufficient* as their main reason for retiring, and only 4% of those who indicated a single main reason. This suggests that, while many may feel sufficient retirement income is a necessary condition for deciding to retire, fewer actually perceive it to be the essential factor in that decision. In a sense, sufficient retirement income is a given factor when deciding to retire or continue working.

For analysis, all the reasons indicated for retiring by choice were grouped into three broad categories labeled "pull", "push" and "neutral".

The reasons categorized as "pull" were ones which suggested the respondent viewed retirement as an attraction and highly desired. The following reasons were included in this category: had planned to retire then; felt it was time to retire; wanted to do other things besides work; and, wanted more time for self and/or family. Sixty-three percent of the group who retired by choice — 42% of all respondents — reported they retired for reasons which were wholly or almost wholly in this category.

The reasons categorized as "push" were ones which suggested the respondent might not have retired had circumstances been different at the time. This category included the following reasons: unhappy with the job situation; not performing one's job up to one's own expectations; spouse retired then; poor health; and, a pressing family responsibility. Fifteen percent of the group who retired by choice — 10% of all respondents — indicated they retired for reasons which were wholly or almost wholly in this category. Seventeen percent of those who retired by choice — 11% of all respondents — gave reasons for retiring which mixed items from the first two categories but which suggested the "push" component was dominant.

The remaining 5% of the group who retired voluntarily — 3% of all respondents — gave "neutral" reasons for retiring, reasons which did not clearly indicate whether retirement was desired or chosen reluctantly. This category included the following reasons: retirement income was sufficient; took another job; and, married and/or relocated.

Respondents who retired by choice were asked one question that was not asked of respondents who retired involuntarily. That question was: "If you could do it over, would you still retire at the same age, retire at a younger age, or retire at an older age?" Sixty-seven percent felt they would retire at the same age; 12% thought they would retire at an older age; and 11% believed they would retire at a younger age. The other 10% either were uncertain (8%) or did not answer the question (2%).

**Retired Not by Choice.** The respondents who did not retire by choice also were asked to specify the reason for their retirement. Among those who retired involuntarily, 63% — 21% of all respondents — left work when they reached their employer's mandatory retirement age. The others were about evenly divided between those who were forced to retire because of a disability or poor health, 17% or 6% of all respondents, and those who were forced into retirement by their employer either directly (asked to leave, position eliminated, etc.) or indirectly (budget cutbacks, asked to take on extra assignments, etc.), 19% or 6% of all respondents.

The institution's mandatory retirement age was the cause of retirement for proportionately more of the older respondents who retired involuntarily than of the younger ones. Eighty-three percent of those now over age 75 who retired involuntarily did so when they reached a mandatory retirement age, but this was the case for just 67% of those aged 70-75 who retired involuntarily and for only 32% of those aged 60-69 who retired involuntarily. And, as indicated above, proportionately more of the older respondents did not retire by choice: 48% of the respondents now over age 75 did not retire voluntarily, compared to 38% of those aged 70-75 and 21% of those aged 60-69.

Similarly, among respondents who retired involuntarily, those who retired longer ago were more likely to have done so because they reached their employer's mandatory retirement age: 73% of those retired for more than ten years, 60% of those retired from three to ten years, and 51% of those retired less than three years. Possibly, the 1978 Amendments to the Age Discrimination in Employment Act, which raised to 70 from 65 the earliest age at which most employers could involuntarily retire an employee because of age, had some effect.

## TABLE 2 REASON FOR RETIREMENT

| | % (base = 1,794) |
|---|---|
| **Retired By Choice** | |
| Viewed retirement as an attractive alternative to work (Pull) | 42 |
| Because of circumstances work was no longer desirable or possible (Push) | 10 |
| Chose to retire because of a combination of Pull and Push reasons | 11 |
| Chose to retire for reasons neither clearly Pull Nor clearly Push | 3 |
| **Did Not Retire By Choice** | |
| Reached employer's mandatory retirement age | 21 |
| Retired because of a disability or poor health | 6 |
| Retired because of employer's pressure | 6 |
| **No Reason Given** | 1 |

Table 2 shows the reasons respondents gave for retiring when they did, either voluntarily or involuntarily.

The respondents were profiled based on their main reason for retirement, and Chart 1 shows the results of this analysis. Six separate subgroups were analyzed. Respondents who retired by choice because of a combination of "push" and "pull" factors and respondents who retired by choice for reasons neither clearly "push" nor clearly "pull" were combined to form Subgroup 3 — Chose to Retire For a Variety of Reasons. The six subgroups had a number of significant distinctions.

The discussion in the next few paragraphs is intended to lead the reader through this first profile analysis and serve as a model for interpreting the other profile analyses included in the report.

The far left column of Chart 1 shows the various subgroups of respondents included in this profile analysis. The subgroups were determined by the respondents' answers to the questions asking about their reasons for retiring from work. The six subgroups are listed according to size — from largest to smallest. They are: 1) those who sought retirement as an attractive alternative to work, representing 42% of all respondents; 2) those who retired involuntarily because they reached their employer's mandatory retirement age, representing 21% of all respondents; 3) those who retired voluntarily for mixed reasons, representing 14% of all respondents; 4) those who retired voluntarily because they found work no longer desirable or possible representing 10% of all respondents; 5) those forced to retire because of circumstances related to their work, representing 6% of all respondents; and 6) those who retired involuntarily because of poor health, representing 6% of all respondents. Each subgroup differs from all other respondents on the items listed in the middle column, Significant Subgroup Characteristics. These differences are all statistically significant at the .01 level of significance, which indicates a high degree of certainty that the differences are not due to chance fluctuation.

## CHART 1 PROFILE: REASON FOR RETIREMENT

| Subgroup | Significant Subgroup Characteristics | Response Comparison: Subgroup | Others |
|---|---|---|---|
| 1 Sought Retirement As An Attractive Alternative To Work (42% of Total) | **Higher Proportion:** | | |
| | Were on younger side of age range | 70.7 ✓ | 71.6 |
| | Had above average health | 3.8* | 3.5* |
| | Looked forward to retiring | 80% | 42% |
| | Made very thorough retirement plans | 43% | 29% |
| | Were very satisfied with retirement plans | 46% | 30% |
| | Were very satisfied with retirement | 61% | 43% |

## ■ CHART 1 (Continued) PROFILE: REASON FOR RETIREMENT

| Subgroup | Significant Subgroup Characteristics | Response Comparison: Subgroup | Others |
|---|---|---|---|
| 1 *(continued)* | Were very happy with life generally | 62% | 50% |
| | Did not expect to work after retiring | 71% | 57% |
| | Performed volunteer service after retiring | 54% | 47% |
| | Were living very well on income | 31% | 24% |
| | Had not been affected by inflation | 75% | 65% |
| | | *On a scale of 1-5 | |
| 2 Reached Employer's Mandatory Retirement Age (21% of Total) | **Higher proportion:** | | |
| | Were on older side of age range | 75.1 | 70.2 |
| | Retired at older than average age | 66.7 | 63.6 |
| | Were former faculty/administrators | 71% | 55% |
| | Disliked the idea of retiring | 39% | 13% |
| | Were moderately satisfied with retirement plans | 60% | 49% |
| | Were moderately satisfied with retirement | 51% | 39% |
| | Expected to work after retiring | 34% | 26% |
| | Worked after retiring | 55% | 42% |
| | Had an above average income replacement ratio | 7.3* | 6.7* |
| | | *On a scale of 1-9 | |
| 3 Chose To Retire For A Variety of Reasons (14% of Total) | **Higher proportion:** | | |
| | Were on younger side of age range | 69.8 | 71.4 |
| | Retired at younger than average age | 62.9 | 64.5 |
| | Were married | 73% | 64% |
| | Looked forward to retiring | 77% | 55% |
| | Were very satisfied with retirement | 60% | 49% |
| | Had above average income | $27.2K | $22.7K |
| 4 Chose To Retire Because Work Was No Longer Desirable Or Possible (10% of Total) | **Higher proportion:** | | |
| | Were on younger side of age range | 69.3 | 71.4 |
| | Retired at younger than average age | 62.4 | 64.5 |
| | Were female | 59% | 38% |
| | Were former support staff | 28% | 19% |
| 5 Forced To Retire Due To Situation At Work (6% of Total) | **Higher proportion:** | | |
| | Were former other professionals | 32% | 21% |
| | Disliked the idea of retiring | 65% | 15% |
| | Did not make plans for retirement | 30% | 13% |
| | Were not satisfied with retirement plans | 21% | 7% |
| | Were not satisfied with retirement | 16% | 4% |
| | Were fairly happy with life generally | 50% | 37% |
| | Expected to work after retiring | 46% | 26% |
| | Worked after retiring | 58% | 46% |
| | Had below average income | $17.1K | $24.0K |
| | Had below average income replacement ratio | 5.5* | 6.9* |
| | Were living adequately on income | 44% | 31% |
| | Had a worse overall financial situation | 30% | 16% |
| | Had been affected by inflation | 45% | 29% |
| | | *On a scale of 1-9 | |

## ■ CHART 1 (Continued) PROFILE: REASON FOR RETIREMENT

| Subgroup | Significant Subgroup Characteristics | Response Comparison Subgroup | Response Comparison Others |
|---|---|---|---|
| **6** Forced To Retire Due To Disability Or Poor Health (6% of Total) | **Higher proportion:** | | |
| | Were on younger side of age range | 68.6 | 71.3 |
| | Retired at younger than average age | 61.5 | 64.4 |
| | Were former support staff | 39% | 19% |
| | Had below average health | 2.5* | 3.7* |
| | Said health is not as good as in recent years | 54% | 25% |
| | Disliked the idea of retiring | 49% | 17% |
| | Did not make plans for retirement | 34% | 11% |
| | Were not satisfied with retirement plans | 18% | 7% |
| | Were not satisfied with retirement | 16% | 4% |
| | Were not too happy with life generally | 17% | 4% |
| | Did not work after retiring | 81% | 54% |
| | Did not perform volunteer service after retiring | 72% | 49% |
| | Had below average income | $15.0K | $23.9K |
| | Had a below average income replacement ratio | 5.9** | 6.9** |
| | Were living not too well on income | 14% | 2% |
| | Had a worse overall financial situation | 30% | 16% |
| | Had drawn on savings | 21% | 11% |
| | Had been affected by inflation | 54% | 29% |

*On a scale of 1-5

**On a scale of 1-9

The far right column, labeled Response Comparison, shows how a subgroup differs from all other respondents on each of the items listed in the middle column. For the most part, the figures in the far right column are percentages, the percentage of the subgroup who gave a particular answer alongside the percentage of the other respondents who gave the same answer. (Note that a significant characteristic of a subgroup does not necessarily mean a majority of them gave that particular answer; it simply indicates that the subgroup differs from all other respondents on that item in a way that is statistically significant.) Where figures other than percentages are shown, they are the mean (average) response given by the subgroup to a question alongside the mean response of the other respondents to the same question. These other figures will either be ages, income amounts, or scale values.

To illustrate what is shown in the chart, the first subgroup, those who retired by choice because they found retirement attractive, will be used as an example. Subgroup 1 respondents were different from the other respondents on the following items and in the following manner.

- **Age:** A significantly larger percentage were younger. Their overall mean age was 70.7 years compared to 71.6 years for the other respondents.
- **Health:** A significantly larger percentage rated their health above the overall average. On a five-point scale ranging from *excellent* to *very poor*, their overall mean value was 3.8 compared to 3.5 for the other respondents.
- **Attitude toward retirement:** A significantly larger percentage reported they were looking forward to retiring before they actually did retire, 80% compared to 42% of the other respondents.
- **Thoroughness of retirement planning:** A significantly larger percentage reported they did a very thorough job of preparing for retirement, 43% compared to 29% of the other respondents.
- **Satisfaction with retirement planning:** A significantly larger percentage reported they were very satisfied with their preparations for retirement, 46% compared to 30% of the other respondents.
- **Satisfaction with retirement:** A significantly larger percentage reported they were very satisfied with their retirements, 61% compared to 43% of the other respondents.
- **Life satisfaction:** A significantly larger percentage reported they were generally very happy with life, 62% compared to 50% of the other respondents.

- **Expectation for employment after retiring:** A significantly larger percentage reported they had not expected to work after retiring, 71% compared to 57% of the other respondents.
- **Voluntary service after retiring:** A significantly larger percentage reported they performed volunteer or charitable service after retiring, 54% compared to 47% of the other respondents.
- **Income adequacy:** A significantly larger percentage reported they were living very well considering both income and expenses, 31% compared to 24% of the other respondents.
- **Affected by inflation:** A significantly larger percentage reported they had not had to adjust their life styles because of inflation since retiring, 75% compared to 65% of the other respondents.

The information for the other five subgroups shown in this chart should be interpreted in the same manner as the entries for the first subgroup. Each item in the Significant Subgroup Characteristics column represents a variable on which that particular subgroup differs from the other respondents to a degree that is statistically significant at the 0.1 level of significance.

Following is a brief summary of Chart 1. Respondents who retired by choice tended to be younger than those who did not. Subgroup 1 respondents, those who retired because they found retirement attractive and desirable, to a greater degree than other respondents planned well for retirement, were satisfied with retirement and life generally, and were fairly comfortable financially. Those who retired by choice, but not clearly for either Pull or Push reasons (Subgroup 3), also were more likely than other respondents to have looked forward to retirement and to be satisfied with retirement. They had relatively high incomes, at least in part because of spouse's income. Those who retired by choice, even though they were "pushed" to do so (Subgroup 4), included a high proportion of females and former support-staff personnel. This subgroup contains many of the females who retired because their spouse did so.

The subgroup who retired because they reached mandatory retirement age included a high proportion of former faculty and older respondents. They were clearly not looking forward to retirement nor were they especially well-prepared for it. A higher than average number worked after retiring. They tended to be moderately satisfied with the limited plans they made for retirement and with retirement itself. The respondents who were forced into earlier than desired retirement by their employers (Subgroup 5) also were not especially well-prepared for it and tended to be less satisfied than other respondents with retirement and life generally. They were more likely to have worked after retiring and, on average, were not well-off financially compared to other respondents. The subgroup who were forced to retire early because of poor health (Subgroup 6) tended to compare unfavorably with other respondents on a number of items. To a greater degree than others, they showed a lack of preparation for retirement, a dissatisfaction with retirement and with life generally, and a relatively inferior financial condition. This subgroup included a high proportion of former support-staff personnel.

**1972 Survey Findings.** *In the 1972 survey of retired TIAA-CREF annuitants, the respondents were not asked whether or not they retired by choice, but they were asked if they retired because they reached their employer's mandatory retirement age. Over half (53%) said they did, while the rest said they did not, with the exception of 1% who did not answer the question. Those who did not retire because of a mandatory retirement age were asked to report the primary reason why they retired when they did. As a percentage of all respondents, 16% retired because work no longer was desirable or possible, 12% retired because they found retirement more attractive than work, 9% retired because of poor health, and 9% retired for reasons not completely clear but which suggested retirement was preferred to work.*

## AGE AT RETIREMENT

Table 3 shows the distribution of the retirement ages reported by respondents. Almost one-third retired at age 65 and almost two-thirds retired at ages 62 through 66. Nine percent retired before age 60 and another 9% retired at or over age 70.

There were marked differences in reported age at retirement according to former occupation (see Table 4). Respondents who formerly were college faculty tended to retire at older ages, on average. Their mean age at retirement was 65, and almost three-quarters of this group had retired at or over age 65. In contrast, 60% of former college administrators, 57% of the respondents who held other professional and technical positions, 49% of both former support-staff personnel and former independent school faculty, and just 38% of former independent school administrators had retired at or over age 65.

## TABLE 3 AGE AT RETIREMENT

| AGE AT RETIREMENT | % (base = 1,794) | % (cumulative) |
|---|---|---|
| Under 55 | 2 | 2 |
| 55-59 | 7 | 9 |
| 60 | 4 | 13 |
| 61 | 2 | 15 |
| 62 | 14 | 29 |
| 63 | 6 | 35 |
| 64 | 5 | 40 |
| 65 | 32 | 72 |
| 66 | 8 | 80 |
| 67 | 4 | 84 |
| 68 | 5 | 89 |
| 69 | 2 | 91 |
| 70 | 6 | 97 |
| Over 70 | 3 | 100 |

1972 Survey Findings. *Respondents to the 1972 survey of retired TIAA-CREF annuitants reported older retirement ages, on average, than the 1982 survey respondents. Twenty-three percent of the 1972 group had retired before age 65 (compared to 40% of the 1982 group), while 24% had retired at age 65 (compared to 32% of the 1982 group), and 50% had retired after age 65 (compared to 28% of the 1982 group). Two percent of the 1972 survey respondents did not report their retirement age. One reason for the older retirement ages, on average, of the 1972 survey group is that it included proportionately more former college faculty (49% compared to 39% of the 1982 group), who tended to retire at older ages than other respondents. Even when comparing the same occupational groups, however, the 1972 respondents reported older retirement ages, on average, suggesting a pattern of earlier retirement ages among TIAA-CREF annuitants in the decade 1973-1982. (It is possible that mortality experience accounts for the difference, i.e., that proportionately more TIAA-CREF annuitants who retired at older ages between 1973-1982 are now deceased and, therefore, could not be represented in the sample. It is unlikely, however, that this did occur to a degree that would account for all the difference.)*

## ATTITUDE TOWARD RETIREMENT BEFOREHAND

Respondents were asked to recall how they felt about retiring from work before they actually did retire, and 58% reported they were *Looking Forward To Retiring*, 17% indicated they were *Neutral About Retiring*, and 18% stated they *Disliked The Idea Of Retiring*. The remaining 7% either were not certain about their attitude (6%) or did not answer (1%).

Predictably, those who said they were looking forward to retiring included a large proportion of the respondents who retired by choice, while those who reported they had disliked the idea of retiring included a large proportion of the respondents who did not retire by choice. Possibly, the latter liked their work

## TABLE 4 AGE AT RETIREMENT BY FORMER OCCUPATION

| FORMER OCCUPATION | PERCENT RETIRING BEFORE AGE 65 | AT AGE 65 | AFTER AGE 65 | MEAN RETIREMENT AGE |
|---|---|---|---|---|
| College faculty (base = 691) | 27% | 33 | 40 | 65 |
| College administration (base = 214) | 40% | 34 | 26 | 64 |
| Other professional/technical (base = 398) | 43% | 30 | 27 | 64 |
| Support staff (base = 356) | 51% | 34 | 15 | 63.5 |
| Independent school faculty (base = 103) | 51% | 32 | 17 | 63 |
| Independent school administration (base = 32) | 62% | 22 | 16 | 62.5 |

## TABLE 5 ATTITUDE TOWARD RETIREMENT AND REASON FOR RETIREMENT

| REASON FOR RETIREMENT | ATTITUDE TOWARD RETIREMENT: LOOKED FORWARD TO RETIRING % (base = 1,034) | NEUTRAL ABOUT RETIRING % (base = 289) | DISLIKED IDEA OF RETIRING % (base = 326) |
|---|---|---|---|
| Sought retirement as attractive alternative to work | 58 | 34 | 6 |
| Reached employer's mandatory retirement age | 11 | 30 | 43 |
| Retired by choice for mixed push and pull reasons | 20 | 11 | 3 |
| Retired by choice because work was no longer possible | 8 | 10 | 10 |
| Forced to retire because of situation at work | 2 | 5 | 23 |
| Forced to retire because of health or disability | 1 | 10 | 15 |

more. As shown in Table 5, 58% of those who were looking forward to retiring said they retired because retirement was an attractive alternative to work, compared to only 6% of those who had disliked the idea of retiring. On the other hand, 43% of those who had disliked the idea of retiring retired when they reached their employer's mandatory retirement age, compared to only 11% of those who were looking forward to retiring.

A profile analysis was based on the respondents' attitudes toward retirement before retiring. Three separate subgroups were analyzed, grouped according to how they answered the question. Chart 2 presents the results of this analysis.

The respondents who were looking forward to their retirement were younger than average and in somewhat better health. To a greater degree than other respondents, they were more likely to have retired younger and by choice and to have planned very thoroughly for retirement. They also were more likely than others to be very satisfied both with their plans for retirement and with their retirement in general, as well as very happy generally. They were less likely both to have expected to work after retiring and to actually have worked. Their financial condition was relatively favorable.

On the other hand, the subgroup who disliked the idea of retiring were below average in health and more likely than other respondents not to have retired by choice and not to have planned for retirement. They were less likely than other respondents to be satisfied with their plans for retirement and with their retirement in general, and also less likely to be happy generally. They were more likely both to have expected to work after retiring and to actually have done so. Their financial condition was somewhat less positive than that of other respondents.

The subgroup who were neutral about retiring tended to be older and to have retired at an older age. They were more likely than other respondents not to have retired by choice and not to have planned thoroughly for retirement, but to be moderately satisfied with their plans for retirement and with retirement in general. They were also more likely to have worked after retiring.

## THOROUGHNESS OF RETIREMENT PREPARATION

The respondents were asked to assess, in retrospect, how thorough were their preparations for retirement. Thirty-five percent thought they made *Very Thorough* preparations for retirement, while 48% felt they had made *Some But Not Thorough* preparations for retirement, and 12% reported they *Did Not Plan At All* for retirement. The rest were unable (3%) or unwilling (2%) to characterize their retirement preparations.

There was a high correlation between thoroughness of retirement preparation and attitude toward retirement: the more thorough the preparation, the more positive the attitude. Possibly the prior attitude influenced the extent of preparation. As shown in Table 6, 77% of those who reported very thorough preparations

## CHART 2 PROFILE: ATTITUDE TOWARD RETIREMENT

| Subgroup | Significant Subgroup Characteristics | Response Comparison Subgroup | Response Comparison Others |
|---|---|---|---|
| **1** Looking Forward To Retiring (58% of Total) | **Higher proportion:** | | |
| | Were on younger side of age range | 70.6 | 72.1 |
| | Had above average health | 3.7* | 3.5* |
| | Retired at younger than average age | 63.8 | 64.9 |
| | Retired by choice | 87% | 40% |
| | Would retire at the same age again | 74% | 50% |
| | Made very thorough retirement plans | 44% | 22% |
| | Were very satisfied with retirement plans | 46% | 22% |
| | Were very satisfied with retirement | 64% | 32% |
| | Were very happy with life generally | 61% | 46% |
| | Did not expect to work after retiring | 72% | 48% |
| | Did not work after retiring | 60% | 47% |
| | Had above average income | $24.3K | $22.1K |
| | Had an above average income replacement ratio | 7.0** | 6.5** |
| | Were living very well on income | 31% | 21% |
| | Had a better overall financial situation | 32% | 22% |
| | Had not been affected by inflation | 75% | 62% |
| | | *On a scale of 1-5 | |
| | | **On a scale of 1-9 | |
| **2** Disliked The Idea of Retiring (18% of Total) | **Higher proportion:** | | |
| | Had below average health | 3.5* | 3.7* |
| | Did not retire by choice | 81% | 21% |
| | Would retire at an older age if could do again | 46% | 10% |
| | Did not make plans for retirement | 26% | 9% |
| | Were not satisfied with retirement plans | 21% | 5% |
| | Were moderately satisfied with retirement | 52% | 40% |
| | Were fairly happy with life generally | 48% | 35% |
| | Expected to work after retiring | 47% | 24% |
| | Worked after retiring | 55% | 43% |
| | Had below average income | $20.3K | $24.0K |
| | Had a below average income replacement ratio | 6.3** | 6.9** |
| | Were living adequately on income | 40% | 29% |
| | Had a worse overall financial situation | 25% | 15% |
| | Had been affected by inflation | 43% | 28% |
| | | *On a scale of 1-5 | |
| | | **On a scale of 1-9 | |
| **3** Neutral About Retiring (17% of Total) | **Higher proportion:** | | |
| | Were on older side of age range | 73.0 | 70.8 |
| | Retired at older than average age | 65.4 | 64.0 |
| | Did not retire by choice | 45% | 30% |
| | Made some but not thorough retirement plans | 56% | 47% |
| | Were moderately satisfied with retirement plans | 62% | 50% |
| | Were moderately satisfied with retirement | 53% | 40% |
| | Worked after retiring | 53% | 43% |

## TABLE 6

### THOROUGHNESS OF RETIREMENT PREPARATION AND ATTITUDE TOWARD RETIREMENT

| ATTITUDE TOWARD RETIREMENT | THOROUGHNESS OF RETIREMENT PREPARATION | | |
|---|---|---|---|
| | Very % (base = 616) | Moderate % (base = 864) | No Plans % (base = 223) |
| Looked forward | 77 | 59 | 38 |
| Neutral | 13 | 21 | 19 |
| Disliked the idea | 10 | 20 | 43 |

had been looking forward to retiring, while 10% had disliked the idea of retiring. Among those who had not made plans for retirement, however, 43% had disliked the idea of retiring, while 38% had been looking forward to it.

The respondents were profiled according to the self-reported thoroughness of their retirement preparation. The three subgroups had a number of significant distinctions, as shown in Chart 3. Clearly, the respondents who felt their retirement preparation was very thorough (Subgroup 2) were more likely than other respondents to be well-satisfied with retirement and with life generally and to be well-situated financially. They also were more likely to have been looking forward to retiring and to have retired by choice, with no expectation of working afterwards. On the other hand, the respondents who did not plan at all for retirement (Subgroup 3) were less likely than other respondents to be satisfied with retirement, or with life generally, and to be well-off financially. They tended to have disliked the idea of retiring and to have retired involuntarily with the expectation of working afterwards. On most items they were on the opposite end of the scale from those who had planned very thoroughly for retirement.

The respondents who did some but not thorough retirement preparation tended to fit between the other two groups on many variables. They were less likely to be looking forward to retiring yet did not dislike the idea. They tended to be moderately satisfied with retirement and fairly happy with life generally. Their financial situation was moderately good, but certainly far from the level of those who were well off.

Whether or not the respondent's employer at the time of retirement provided preretirement planning assistance may have had some influence on the thoroughness of the respondent's retirement preparation. Those who prepared very thoroughly were more likely to have had an employer that did provide such assistance, while those who did not plan at all for retirement were more likely to have had an employer that did not.

## CHART 3

### PROFILE: THOROUGHNESS OF RETIREMENT PREPARATION

| Subgroup | Significant Subgroup Characteristics | Response Comparison | |
|---|---|---|---|
| | | Subgroup | Others |
| **1** Some But Not Thorough Preparation For Retirement (48% of Total) | **Higher proportion:** | | |
| | Retired at older than average age | 64.5 | 64.0 |
| | Did not look forward to retiring | 45% | 38% |
| | Were moderately satisfied with retirement plans | 73% | 31% |
| | Were moderately satisfied with retirement | 58% | 26% |
| | Were fairly happy with life generally | 44% | 31% |
| | Had below average income | $22.9K | $24.5K |
| | Had a below average income replacement ratio | 6.7* | 7.0* |
| | Were living adequately on income | 37% | 26% |
| | Had been affected by inflation | 36% | 25% |

*On a scale of 1-9

## ■ CHART 3 (Continued) PROFILE: THOROUGHNESS OF RETIREMENT PREPARATION

| Subgroup | Significant Subgroup Characteristics | Response Comparison Subgroup | Others |
|---|---|---|---|
| **2** Very Thorough Preparation for Retirement (35% of Total) | **Higher proportion:** | | |
| | Were married | 70% | 62% |
| | Were former faculty/administrators | 64% | 55% |
| | Had above average health | 3.8* | 3.5* |
| | Retired by choice | 77% | 62% |
| | Would retire at the same age again | 78% | 60% |
| | Looked forward to retiring | 74% | 51% |
| | Had a last employer that provided preretirement counseling | 26% | 18% |
| | Were very satisfied with retirement plans | 72% | 17% |
| | Were very satisfied with retirement | 80% | 36% |
| | Were very happy with life generally | 71% | 47% |
| | Did not expect to work after retiring | 69% | 59% |
| | Had above average income | $27.5K | $21.4K |
| | Had above average income replacement ratio | 7.2** | 6.6** |
| | Were living very well on income | 43% | 18% |
| | Had a better overall financial situation | 38% | 23% |
| | Had not been affected by inflation | 82% | 63% |
| | | *On a scale of 1-5 | |
| | | **On a scale of 1-9 | |
| **3** Did Not Plan At All For Retirement (13% of Total) | **Higher proportion:** | | |
| | Were former support staff | 28% | 18% |
| | Had below average health | 3.4* | 3.7* |
| | Did not retire by choice | 56% | 29% |
| | Would retire at an older age if could do again | 24% | 11% |
| | Disliked the idea of retiring | 39% | 15% |
| | Had a last employer that did not provide preretirement counseling | 80% | 72% |
| | Were not satisfied with retirement plans | 28% | 5% |
| | Were not satisfied with retirement | 15% | 3% |
| | Were not too happy with life generally | 12% | 3% |
| | Expected to work after retiring | 36% | 27% |
| | Did not perform volunteer service after retiring | 65% | 47% |
| | Had below average income | $18.6K | $24.0K |
| | Had a below average income replacement ratio | 6.4** | 6.9** |
| | Were living adequately on income | 41% | 30% |
| | Had a worse overall financial situation | 28% | 15% |
| | Had been affected by inflation | 71% | 61% |
| | | *On a scale of 1-5 | |
| | | **On a scale of 1-9 | |

## EMPLOYER-PROVIDED PRERETIREMENT PLANNING ASSISTANCE

Overall, just 21% of the respondents recalled that their last employer offered any counseling or other assistance in planning for retirement, apart from providing a pension plan. Younger respondents were somewhat more likely to have recalled receiving assistance — 28% of those now aged 60-69 compared to 19% of those aged 70-75 and just 10% of those over age 75 — suggesting an increased involvement of educational employers in preretirement counseling programs for staff members in recent years. Clearly, however, this assistance is still far from a common practice among the nation's educational institutions.

Three-quarters of those who indicated their employers offered preretirement planning assistance reported they actually received such assistance. The nature of the assistance varied; 42% participated in a retirement planning seminar, 23% had individual counseling sessions, usually with a benefits specialist, and the rest were given retirement information in some other way.

## SATISFACTION WITH RETIREMENT PREPARATION

The respondents' level of satisfaction with their preparations for retirement was highly correlated with the degree of thoroughness of their retirement planning. Thirty-six percent of the respondents reported they were *Very Satisfied* with their preparation for retirement, and almost three-quarters of them had indicated they had prepared very thoroughly for retirement. Similarly, 51% were *Reasonably Satisfied* with their retirement preparation, and 72% of them had indicated they had done some but not thorough retirement planning. Just 8% were *Not Satisfied* with their preparation for retirement, and most of them had reported they either did not plan at all for retirement or had done some but not thorough retirement planning. Three percent were not certain how satisfied they were with their preparations for retirement and 2% did not answer the question.

1972 Survey Findings. *In the 1972 survey of retired TIAA-CREF annuitants, 25% of the respondents said they were* Very Satisfied *with their preparations for retirement, 49% were* Satisfied, *8% were* Dissatisfied, *and 15% were* Neutral *(neither satisfied nor dissatisfied). The other 3% did not answer.*

## AREAS OF RETIREMENT PREPARATION THAT SHOULD HAVE BEEN GIVEN MORE ATTENTION

Twenty-nine percent of the respondents reported there was at least one area of retirement planning they now wish they had given more attention and 54% said there was not. The rest were not certain (12%) or did not answer the question (5%).

The 29% who indicated they now wish they had given more attention to a particular area of retirement planning were asked to identify the area or areas. The area most often cited was finances, specifically amount of income (31%), better or more preretirement investments (17%), and earlier participation in the TIAA-CREF retirement system (13%). Other areas mentioned were hobbies (8%), residential location (8%), post-retirement employment (7%), and health insurance (4%).

# RETIREMENT SATISFACTION AND LIFE SATISFACTION

## SATISFACTION WITH RETIREMENT

The respondents were asked to indicate how satisfied, in general, they were with retirement, using a scale of Very Satisfied, Reasonably Satisfied, and Not Satisfied. Fifty-one percent reported they were *Very Satisfied* and 41% said they were *Reasonably Satisfied*. Just 5% indicated they were *Not Satisfied*, and the other 3% either were not certain or did not answer the question.

It is not surprising that so many of the respondents were satisfied with retirement. Other research on the subject has consistently found similar results: that retirement is a positive experience for most and, the higher the income level, the more positive the experience is perceived to be.

Among our respondents, satisfaction with retirement was highly correlated with level of retirement income. Those respondents with lower income were less likely to be very satisfied with retirement. On first appearance, former support-staff personnel were less likely to be *Very Satisfied* with retirement, 40% compared to 53% of those with other occupational backgrounds. Similarly, respondents who were widowed, separated, or divorced, were less likely to be *Very Satisfied*, 41% compared to 53% of the married and never married respondents. When income level is controlled, however, neither former occupation nor present marital status, by itself, influenced satisfaction with retirement to any great extent. Retirement satisfaction also was highly correlated with voluntary or involuntary retirement. Those who retired by choice were much more likely than those who did not to indicate they were very satisfied with retirement.

A profile analysis was based on the respondents' level of satisfaction with retirement, and the three subgroups had a number of significant distinctions (see Chart 4). To a greater degree than other respondents, those who were very satisfied with retirement (Subgroup 1) tended to be married and to be former faculty and academic administrators, both higher income groups. They were considerably more likely to have retired voluntarily, to have made very thorough preparations for retirement, and to be very happy with life generally. Also, as suggested above, their incomes were greater, on average, than those of other respondents, and their overall financial situations were relatively comfortable.

**■ CHART 4** PROFILE: SATISFACTION WITH RETIREMENT

| Subgroup | Significant Subgroup Characteristics | Response Comparison Subgroup | Others |
|---|---|---|---|
| **1** Very Satisfied With Their Retirement (51% of Total) | **Higher proportion:** | | |
| | Were married | 69% | 62% |
| | Were former faculty/administrators | 62% | 54% |
| | Said health is about the same as in recent years | 69% | 59% |
| | Retired by choice | 77% | 57% |
| | Would retire at the same age again | 78% | 53% |
| | Looked forward to retiring | 73% | 44% |
| | Made very thorough retirement plans | 55% | 14% |
| | Were very satisfied with retirement plans | 67% | 5% |
| | Were very happy with life generally | 77% | 32% |
| | Did not expect to work after retiring | 71% | 55% |
| | Did volunteer service after retiring | 53% | 47% |
| | Had above average income | $27.5K | $19.4K |
| | Had an above average income replacement ratio | 7.2* | 6.4* |
| | Were living very well on income | 41% | 12% |
| | Had a better overall financial situation | 37% | 18% |
| | Had not been affected by inflation | 82% | 57% |
| | Rated health insurance coverage very good | 34% | 18% |

*On a scale of 1-9

## ■ CHART 4 (Continued) PROFILE: SATISFACTION WITH RETIREMENT

| Subgroup | Significant Subgroup Characteristics | Response Comparison Subgroup | Others |
|---|---|---|---|
| **2** Reasonably Satisfied With Their Retirement (41% of Total) | **Higher proportion:** | | |
| | Were not married | 38% | 32% |
| | Were former support staff | 23% | 17% |
| | Said health is not as good now as in recent years | 28% | 19% |
| | Did not retire by choice | 37% | 28% |
| | Would retire at an older age if could do again | 21% | 6% |
| | Felt neutral about retiring | 21% | 13% |
| | Made some but not thorough retirement plans | 67% | 36% |
| | Were moderately satisfied with retirement plans | 82% | 29% |
| | Were fairly happy with life generally | 58% | 23% |
| | Expected to work after retiring | 31% | 25% |
| | Had below average income | $20.1K | $26.0K |
| | Had below average income replacement ratio | 6.4* | 7.2% |
| | Were living adequately on income | 46% | 21% |
| | Had a worse overall financial situation | 21% | 13% |
| | Had been affected by inflation | 40% | 23% |
| | Rated health insurance coverage adequate | 61% | 53% |
| | | | *On a scale of 1-9 |
| **3** Not Satisfied With Their Retirement (5% of Total) | **Higher proportion:** | | |
| | Said health is much worse now than in recent years | 17% | 3% |
| | Did not retire by choice | 71% | 30% |
| | Would retire at an older age if could do again | 54% | 11% |
| | Disliked the idea of retiring | 63% | 16% |
| | Did not plan for retirement | 40% | 11% |
| | Were not satisfied with retirement plans | 65% | 5% |
| | Were not too happy with life generally | 33% | 3% |
| | Expected to work after retiring | 51% | 26% |
| | Had below average income | $14.3K | $23.9K |
| | Had below average income replacement ratio | 5.1* | 6.9* |
| | Were living adequately on income | 56% | 30% |
| | Had been affected by inflation | 70% | 28% |
| | Rated health insurance coverage less than adequate | 26% | 9% |
| | | | *On a scale of 1-9 |

The respondents who were reasonably satisfied with retirement (Subgroup 2) included high proportions of not-marrieds and former support-staff personnel, both lower income groups. They were more likely than other respondents not to have retired by choice and not to have planned thoroughly for retirement, although they tended to be moderately satisfied with their retirement plans and fairly happy with life generally. Their incomes, on average, were lower than those who were very satisfied with retirement and their overall financial condition was not as comfortable.

The small number of respondents who were not satisfied with retirement (Subgroup 3) did not have any distinctive demographic characteristics. They were more likely than other respondents not to have retired voluntarily, not to have planned for retirement, and not to be happy with life generally. Also, they were less well-situated financially and were more likely to have experienced declining health.

The profile analysis indicates that factors contributing to respondents' satisfaction with retirement were sufficient income, good health, prior positive attitude toward retirement, and some control over the retirement process, as reflected in whether or not one retired voluntarily and how thoroughly one planned for retirement. Conversely, there are common factors contrib-

## TABLE 7 LIFE SATISFACTION AND SATISFACTION WITH RETIREMENT

| | | | % (base = 1,698) |
|---|---|---|---|
| Very happy with life | and | Very satisfied with retirement | 41 |
| | | Reasonably satisfied with retirement | 15 |
| | | Not satisfied with retirement | 1 |
| Fairly happy with life | and | Reasonably satisfied with retirement | 26 |
| | | Very satisfied with retirement | 10 |
| | | Not satisfied with retirement | 2 |
| Not too happy with life | and | Not satisfied with retirement | 2 |
| | | Reasonably satisfied with retirement | 2 |
| | | Very satisfied with retirement | 1 |

uting to dissatisfaction with retirement: perceived insufficient income, poor health, prior negative attitude toward retirement, and little or no control over the retirement process.

## SATISFACTION WITH LIFE

In an attempt to measure life satisfaction, the respondents were asked to indicate how happy, in general, they were with life, using the simple scale of Very Happy, Fairly Happy, and Not Too Happy. Fifty-five percent considered themselves *Very Happy* with life, 38% were *Fairly Happy*, and only 4% were *Not Too Happy*. The other 3% did not answer the question.

Life satisfaction and retirement satisfaction have subtle yet distinct differences. Life satisfaction is intended to cover a broader scope. A retiree might be very happy with life in general, taking into account income, sense of financial well-being, health, relationships with family and friends, etc., yet still be dissatisfied with retirement because of a strong preference to still be working. On the other hand, a retiree might be very satisfied with retirement because expectations for retirement have been met, yet be unhappy with life in general for a reason or reasons unrelated to retirement per se.

Among the respondents, life satisfaction and retirement satisfaction were highly correlated. As shown in Table 7, a cross-tabulation of the two variables revealed that, of the 1,698 respondents who could be classified on both variables (95% of all respondents), 41% were very happy with life and very satisfied with retirement, 26% were fairly happy with life and reasonably satisfied with retirement, and 2% were not too happy with life and not satisfied with retirement. The remaining 31% indicated another combination of the two variables, most being very satisfied with one and moderately satisfied with the other.

A profile analysis based on life satisfaction (not shown) confirmed the strong association with retirement satisfaction. It also revealed a major difference between the two — the greater prominence of health in life satisfaction. Health (and spouse's health, if married) was a powerful distinguishing characteristic for life satisfaction, much more so than for retirement satisfaction.

# FINANCIAL ASPECTS OF RETIREMENT

In general, the respondents indicated their financial situations were favorable. They reported a median total annual household income for 1981 of $23,500. Bureau of the Census data show that the 1981 median total annual income for all households headed by someone age 65 or older was $9,900. The Bureau of Labor Statistics estimated that in 1981 a retired couple needed an income of $15,100 to provide a moderate standard of living in most areas of the country. Not all respondents were well-off, of course. There were considerable individual differences in reported financial condition, and a small number (under 2%) were below the official government threshold for poverty-level designation in 1981, $5,690 for couples and $4,310 for single persons.

## HOUSEHOLD INCOME

Although the survey was much broader than simply an income study, the respondents were asked to provide a considerable amount of information about their household income for 1981. Total annual household income for calendar year 1981 was obtained by having respondents indicate the income range (out of twelve listed) that included their income. Married respondents were asked to include in the total any separate income of their spouses—Social Security, another pension, etc. The twelve income-range categories started at *Under $5,000* and ended at *More than $50,000* (see Table 8). Six percent of the respondents did not indicate their annual income.

Predictably, the respondents' total annual household income varied markedly by sex, marital status, and former occupation. Table 9 illustrates this by showing, for eighteen subgroups, reported total 1981 household income in a four-category distribution along with the median annual income. The median annual household income for all respondents was $23,500, $28,200 for male respondents and $17,500 for female respondents. Marital status and former occupation clearly made a difference. Many of the married respondents had spouses with separate income of their own and, as instructed, included that in the total. The contrast between those who formerly were support-staff personnel and those who had other occupations, married or not, also was especially striking.

A profile analysis was conducted according to total 1981 household income (see Chart 5). The twelve income-range categories were collapsed to five for this analysis: 1) up to $10,000; 2) $10,001-$20,000; 3) $20,001-$30,000; 4) $30,601-$40,000; and 5) More than $40,000. The 6% who did not indicate their annual income were excluded from the analysis. The results show that variations in annual income followed expected directions. Those with low incomes included a high proportion of females, not marrieds, and former support-staff personnel, while those with high incomes tended to be male, married, and former faculty and academic administrators. To a greater degree than other respondents, the subgroup with the lowest incomes (Subgroup 1) generally were not looking forward to retiring, were not well-prepared for it, and were not especially satisfied with retirement or life in general. They also tended to be less positive than higher income respondents on all other measures of financial

■ **TABLE 8** TOTAL ANNUAL HOUSEHOLD INCOME FOR 1981

| INCOME RANGE | % (base = 1,794) | % (cumulative) |
|---|---|---|
| Under $5,000 | 2 | 2 |
| $ 5,000-$ 7,500 | 3 | 5 |
| $ 7,501-$10,000 | 5 | 10 |
| $10,001-$12,500 | 8 | 18 |
| $12,501-$15,000 | 9 | 27 |
| $15,001-$20,000 | 12 | 39 |
| $20,001-$25,000 | 12 | 51 |
| $25,001-$30,000 | 9 | 60 |
| $30,001-$35,000 | 8 | 68 |
| $35,001-$40,000 | 6 | 74 |
| $40,001-$50,000 | 10 | 84 |
| More Than $50,000 | 10 | 94 |
| No Answer | 6 | 100 |

## ■ TABLE 9

TOTAL ANNUAL HOUSEHOLD INCOME FOR 1981 BY SEX, MARITAL STATUS, AND FORMER OCCUPATION

| | Up To $15,000 | $15,001-$25,000 | $25,001-$40,000 | More Than $40,000 | Median |
|---|---|---|---|---|---|
| **Males** | | | | | |
| Married | | | | | |
| Faculty/administrator (base = 583) | 11% | 24 | 34 | 31 | $30,500 |
| Other professional (base = 194) | 12% | 13 | 37 | 38 | $35,100 |
| Support staff (base = 115) | 60% | 30 | 8 | 2 | $13,300 |
| Widowed, Separated, or Divorced | | | | | |
| Faculty/administrator (base = 45) | 15% | 31 | 27 | 27 | $27,750 |
| Other professional (base = 29) | 21% | 34 | 28 | 17 | $23,125 |
| Support staff (base = 16) | 100% | — | — | — | $ 9,100 |
| Never Married | | | | | |
| Faculty/administrator (base = 34) | 24% | 32 | 20 | 24 | $24,250 |
| Other professional (base = 11) | 18% | 36 | 27 | 18 | $22,950 |
| Support staff (base = 2) | 100% | — | — | — | — |
| **Females** | | | | | |
| Married | | | | | |
| Faculty/administrator (base = 98) | 9% | 27 | 27 | 38 | $33,600 |
| Other professional (base = 43) | 16% | 28 | 28 | 28 | $29,000 |
| Support staff (base = 82) | 40% | 42 | 13 | 5 | $17,100 |
| Widowed, Separated, or Divorced | | | | | |
| Faculty/administrator (base = 92) | 43% | 37 | 14 | 6 | $17,000 |
| Other professional (base = 49) | 59% | 23 | 14 | 4 | $13,100 |
| Support staff (base = 72) | 78% | 18 | 3 | 1 | $10,000 |
| Never Married | | | | | |
| Faculty/administrator (base = 142) | 41% | 28 | 25 | 6 | $17,300 |
| Other professional (base = 50) | 44% | 34 | 14 | 8 | $16,400 |
| Support staff (base = 32) | 63% | 34 | 3 | — | $10,500 |

well-being. Subgroups 4 and 5, the highest income people, were much more positive than other respondents on all measures of financial well-being and were more likely to be satisfied with retirement and with life in general. The middle-income subgroups tended to be more moderate than others on attitudes toward retirement and on measures of financial well-being.

## SOURCES OF HOUSEHOLD INCOME

Respondents were asked to indicate the various sources from which they received their total household income. In addition, they were asked to give the percentage of total household income coming from each source. Married respondents also were requested to

## ■ CHART 5

PROFILE: ANNUAL HOUSEHOLD INCOME FOR 1981

| Subgroup | Significant Subgroup Characteristics | Response Comparison Subgroup | Others |
|---|---|---|---|
| 1 Up to $10,000 (10% of Total) | **Higher proportion:** | | |
| | Were on older side of age range | 72.5 | 71.1 |
| | Were female | 65% | 37% |
| | Were widowed, separated, or divorced | 42% | 16% |
| | Were former support staff | 53% | 16% |
| | Had below average health | 3.2* | 3.7* |
| | Did not retire by choice | 46% | 31% |
| | Disliked the idea of retiring | 29% | 17% |
| | Did not make plans for retirement | 23% | 11% |

## ■ CHART 5 (Continued) PROFILE: ANNUAL HOUSEHOLD INCOME FOR 1981

| Subgroup | Significant Subgroup Characteristics | Response Comparison Subgroup | Others |
|---|---|---|---|
| **1** *(continued)* | Were moderately satisfied with retirement | 57% | 40% |
| | Were fairly happy with life generally | 48% | 36% |
| | Had not done volunteer service after retiring | 59% | 49% |
| | Had a below average income replacement ratio | 5.1** | 7.0** |
| | Did not have income from a second pension | 77% | 49% |
| | Did not have income from employment | 93% | 76% |
| | Did not have income from interest and dividends | 43% | 13% |
| | Did not have income from other sources | 96% | 78% |
| | Were living adequately on income | 63% | 28% |
| | Had a worse overall financial situation | 32% | 15% |
| | Had drawn on savings | 35% | 9% |
| | Had been affected by inflation | 62% | 27% |
| | | *On a scale of 1-5 | |
| | | **On a scale of 1-9 | |
| **2** $10,001-$20,000 (29% of Total) | **Higher proportion:** | | |
| | Were female | 52% | 35% |
| | Were widowed, separated, or divorced | 25% | 16% |
| | Were never married | 22% | 14% |
| | Were former support staff | 30% | 16% |
| | Had below average health | 3.5* | 3.8* |
| | Were moderately satisfied with retirement | 48% | 39% |
| | Were fairly happy with life generally | 44% | 35% |
| | Had a below average income replacement ratio | 6.3** | 7.0** |
| | Did not have income from a second pension | 58% | 49% |
| | Did not have income from other sources | 87% | 77% |
| | Were living adequately on income | 46% | 25% |
| | Had an unchanged overall financial situation | 57% | 48% |
| | Had been affected by inflation | 39% | 27% |
| | | *On a scale of 1-5 | |
| | | **On a scale of 1-9 | |
| **3** $20,001-$30,000 (21% of Total) | **Higher proportion:** | | |
| | Were married | 71% | 64% |
| | Were former faculty/administrators | 66% | 56% |
| | Had income from a second pension | 57% | 46% |
| | Had income from interest and dividends | 88% | 83% |
| | Were living well on income | 47% | 34% |
| | Had a better overall financial situation | 35% | 26% |
| **4** $30,001-40,000 (14% of Total) | **Higher proportion:** | | |
| | Were male | 75% | 57% |
| | Were married | 79% | 63% |
| | Were former faculty/administrators | 69% | 56% |
| | Made very thorough retirement plans | 42% | 33% |
| | Were very satisfied with retirement | 61% | 49% |

## ■ CHART 5 (Continued) PROFILE: ANNUAL HOUSEHOLD INCOME FOR 1981

| Subgroup | Significant Subgroup Characteristics | Response Comparison Subgroup | Response Comparison Others |
|---|---|---|---|
| **4** *(continued)* | Were very happy with life generally | 66% | 53% |
| | Had an above average income replacement ratio | 7.5* | 6.7* |
| | Had income from a second pension | 56% | 47% |
| | Had income from interest and dividends | 90% | 83% |
| | Were living very well on income | 35% | 26% |
| | Had a better overall financial situation | 37% | 26% |
| | Had not been affected by inflation | 80% | 32% |
| | | *On a scale of 1-9 | |
| **5** More Than $40,000 (20% of Total) | **Higher proportion:** | | |
| | Were male | 79% | 55% |
| | Were married | 87% | 60% |
| | Were former faculty/administrators | 70% | 55% |
| | Made very thorough retirement plans | 45% | 32% |
| | Were very satisfied with retirement | 66% | 47% |
| | Were very happy with life generally | 64% | 53% |
| | Worked after retiring | 55% | 42% |
| | Were currently working | 32% | 18% |
| | Had an above average income replacement ratio | 8.0* | 6.5* |
| | Had income from a second pension | 60% | 46% |
| | Had income from interest and dividends | 94% | 81% |
| | Had income from current employment | 35% | 19% |
| | Were living very well on income | 57% | 19% |
| | Had a better overall financial situation | 45% | 24% |
| | Had not been affected by inflation | 87% | 65% |
| | | *On a scale of 1-9 | |

include any income their spouses received. Table 10 shows the proportion of all respondents receiving income from each of eight separate sources. Two percent did not report on their sources of income. Also, another 18% were unwilling or unable to calculate the percentages of total income represented by the various sources.

Just 7% of the respondents were receiving income from only TIAA-CREF and Social Security. The rest, with the exception of the 2% who did not answer, had three or more sources of household income. Most respondents were receiving income from interest and dividends on savings, stocks, and other securities, indicating that individual savings was an integral part of their preparation for retirement. Just over half of all married respondents were receiving other pension income in addition to their TIAA and CREF annuities, and, in many cases, the other pension was the spouse's. However, 38% of all non-married respondents also had an income from a second pension, including 40% of those who had never been married. Twenty-two percent of the respondents were earning income from current employment, including spouse's employment, and smaller proportions were drawing down on savings or other assets (16%) and receiving income from an IRA or TDA plan (7%). A fifth of the respondents had household income from one or more other sources besides the seven already mentioned.

The average number of different household income sources for all respondents was four, but just three for those who were former support-staff personnel. This group was less likely than other respondents to be receiving income from a second pension, interest and dividends, and current employment.

Predictably, total annual household income correlated positively with number of income sources, i.e., income increased with the number of sources. The median total annual household income for those with two income sources was approximately $15,000; for those with three sources, it was approximately $22,500;

## TABLE 10 SOURCES OF HOUSEHOLD INCOME

| | % RECEIVING INCOME FROM SOURCE (base = 1,794) |
|---|---|
| TIAA and CREF annuities | 98 |
| Social Security | 94 |
| Interest and dividends | 83 |
| Other pension | 48 |
| Current employment | 22 |
| Drawing down on savings or other assets | 16 |
| Individual Retirement Account and tax-deferred annuities | 7 |
| Other sources, such as royalties or rent | 20 |
| No answer | 2 |

for those with four sources, it was approximately $28,000; for those with five sources, it was approximately $33,000, and for those with six sources, it was approximately $39,000.

Eighty percent of the respondents indicated the proportions of total household income they received from each of the various sources of their income. The other 20% either did not answer at all or furnished percentages that did not total to (or near) 100. The nonrespondents to this question included higher than proportionate numbers of females (28%), not marrieds (27%), and former support-staff personnel (40%) — people who tended to have lower than average incomes.

**Social Security.** Social Security retirement income was the largest single source of total household income for most of the respondents (the 80% who reported the proportions of total household income derived from each source). The reported percentage of total household income coming from Social Security benefits ranged from 1% to over 90%. One-quarter reported receiving from 1%-20% of their total household income from Social Security, another quarter reported from 21%-33%, a third quarter reported from 34%-50%, and the remaining quarter reported receiving more than half their income from Social Security. In general, the respondents with the lowest household incomes received the highest proportions of their income from Social Security benefits. Nineteen percent of all respondents, but half of those who formerly worked as support-staff personnel, received more than half their total income from Social Security. On the other hand, a third of all respondents, but just 9% of the former support-staff workers, received less than one-quarter of their total income from Social Security.

**TIAA-CREF.** The one common characteristic of all respondents was their participation in the TIAA-CREF retirement system and receipt of income from their TIAA and CREF annuities. The percentage of total household income derived from TIAA and CREF annuities varied widely. This was expected because the amount of TIAA-CREF annuity income each TIAA-CREF annuitant receives depends upon a number of variables. Length of time premiums were paid, the individual's salary history, the employer's retirement plan contribution rate, age when annuity income was begun, and the particular annuity income option selected all have a major bearing on the amount of TIAA-CREF retirement income an annuitant will receive and vary markedly from individual to individual.

For example, the number of years each respondent was a member of the TIAA-CREF system before beginning annuity income ranged from one to forty-eight years. (Information about number of years of TIAA-CREF membership was obtained from the answers to two separate questions and could not be calculated for 12% of the respondents.) As shown in Table 11, half of the respondents (the 88% who provided this information) had fifteen or fewer years of TIAA-CREF membership before starting their TIAA-CREF retirement income and half had more than fifteen years. Six percent had less than six years of TIAA-CREF membership, 21% had from six to ten years, 38% had from eleven to twenty years, 22% had from twenty-one to thirty years, and 13% had more than thirty years.

A comment about years of TIAA-CREF membership is appropriate here. TIAA and CREF individual annuity contracts are fully and immediately vested, so TIAA-CREF participants own all the benefits purchased by contributions (both the individual's and the employer's) to their contracts from the first day of

## ■ TABLE 11

## NUMBER OF YEARS IN THE TIAA-CREF RETIREMENT SYSTEM BEFORE BEGINNING ANNUITY INCOME

| YEARS IN TIAA-CREF | % (base = 1,583) | % (cumulative) |
|---|---|---|
| 1-5 | 6 | 6 |
| 6-10 | 21 | 27 |
| 11-15 | 23 | 50 |
| 16-20 | 15 | 65 |
| 21-25 | 12 | 77 |
| 26-30 | 10 | 87 |
| 31 or more | 13 | 100 |

membership. Many TIAA-CREF participants do not participate "actively" in a TIAA-CREF retirement plan for the remainder of their work career after first joining the TIAA-CREF system, however. By "actively," we mean currently paying premiums to an annuity contract through either employer contributions, individual contributions, or both. At any one time, a sizable minority of all TIAA-CREF retirement plan participants are not currently paying premiums, although each one is still accumulating investment earnings under his or her annuity contracts. Throughout a typical full period of TIAA-CREF membership, the individual will move in and out of "active" or premium-paying status several times, usually when switching employment to and from institutions that do or do not have a TIAA-CREF retirement plan.

The respondents were asked to indicate how many years their employer(s) contributed retirement plan premiums to TIAA-CREF on their behalf, i.e., to their annuity contracts, throughout their work careers. This question was intended to determine how many years out of a respondent's entire participation in the TIAA-CREF system before beginning retirement income were actually premium-paying years, "active" years in an employer's TIAA-CREF retirement plan.

Thirteen percent of the respondents did not report this information, and another 3% reported they had participated in TIAA-CREF completely on their own without any employer contributions to their annuities. The median contribution period for those who did report this information was 12.5 years. Since the median number of years of membership in the TIAA-CREF system prior to starting annuity income was 16, some respondents clearly had years after they joined TIAA-CREF when no premiums were being paid to their annuities. In fact, 32% reported a contribution period that was shorter than their full period of membership. Former faculty and academic administrators tended to have longer periods of employer contributions — a median of 15 years compared to 10 years for those with other occupational backgrounds. So, if a typical work career spans thirty or more years, only a small minority of the respondents had premiums paid to their annuity contracts for anything near their full career. Just 5% indicated their employers had contributed to their TIAA-CREF annuities for over thirty years, and just 6% had had contributions remitted on their behalf between twenty-six and thirty years. These 11% were almost all former faculty and administrators. During much of the era when the respondents were employed, higher education was a growth industry and educators were highly mobile, particularly in the earlier years of their careers. Many respondents probably worked for a number of different educational institutions during their work careers, including some that did not have a TIAA-CREF retirement plan. Some respondents were employed outside the education sector before or after working at institutions with a TIAA-CREF retirement plan. Some respondents probably had interrupted work careers, a situation more common among females.

The reported percentage of total household income coming from TIAA and CREF annuities (for the 80% of the respondents who reported the proportions of total income derived from each source) ranged from 1% to over 80%. One-quarter of the respondents indicated they received 5% or less of their household income from TIAA-CREF, half reported from 6%-20% of their income from TIAA-CREF, and the remaining quarter reported receiving over 20% of their income from TIAA-CREF, including 10% who were receiving more than a third. Former faculty and academic administrators, who tended to have had longer periods of membership in the TIAA-CREF system, on average

## TABLE 12

PERCENTAGE OF TOTAL HOUSEHOLD INCOME FROM TIAA-CREF ANNUITIES AND NUMBER OF YEARS EMPLOYER(s) CONTRIBUTED TO TIAA-CREF ANNUITY CONTRACTS

| | NUMBER OF YEARS EMPLOYER(s) CONTRIBUTED TO TIAA-CREF | | | | | | |
|---|---|---|---|---|---|---|---|
| PERCENTAGE OF TOTAL HOUSEHOLD INCOME FROM TIAA-CREF | 1-5 % (base = 205) | 6-10 % (base = 338) | 11-15 % (base = 271) | 16-20 % (base = 160) | 21-25 % (base = 127) | 26-30 % (base = 91) | Over 30 % (base = 73) |
| 1%-5% | 65% | 38% | 14% | 7% | 4% | 4% | 0% |
| 6%-10% | 18 | 25 | 34 | 20 | 5 | 5 | 5 |
| 11%-20% | 12 | 25 | 30 | 38 | 35 | 21 | 27 |
| 21%-33% | 5 | 10 | 15 | 23 | 29 | 38 | 30 |
| More than 33% | 0 | 2 | 7 | 12 | 27 | 32 | 38 |
| Median Percentage Of Income | 4 | 8 | 11 | 19 | 23 | 25 | 26 |

received a higher proportion of their household income from TIAA-CREF.

There was a strong correlation between the proportion of total income derived from TIAA-CREF annuities and the length of time a respondent was an "active" participant in the TIAA-CREF system before starting annuity income, i.e., the number of years an employer contributed premiums to the respondent's TIAA-CREF annuity contracts. This relationship is illustrated in Table 12, in particular along the shaded areas following a roughly diagonal path. For example, 83% of those with five or fewer years of premium contributions receive from 1%-10% of their household income from TIAA-CREF; in contrast, 68% of those with over thirty years of premium contributions receive more than 20 percent of their household income from TIAA-CREF, including 38% who receive more than one-third. The median percentage of total household income provided by TIAA-CREF annuities increases steadily across the different periods of premium contributions — from 4% for those with five or fewer years of contributions to 25% for those with over twenty-five years of contributions.

**Other Pensions.** Among those who reported the proportions of total household income received from the various sources, 53% indicated income from another pension besides their TIAA-CREF annuities, 57% of married respondents, 45% of never-married respondents, and 42% of widowed, separated, or divorced respondents. It is not known to what degree the second pension was the spouse's for the married group (or for the formerly-married group), but in response to a separate question, 40% of the married respondents (73% of the females and 31% of the males) reported their spouses were or would be receiving a separate pension based on the spouse's own employment. Also, as indicated before, many respondents participated in a TIAA-CREF retirement plan for relatively short periods during their work careers. No doubt many of them belonged to another pension plan, e.g., a state retirement system, for a major part of their work careers.

Because other pension plans besides TIAA-CREF, both private sector and public sector, usually had strict vesting provisions, especially in the era when respondents were employed, recipients of these pensions typically were long-service employees. Short-service employees, e.g., up to ten years, often did not qualify for pension benefits. This is reflected in the reported percentage of total household income the respondents received from other pensions. The range was from 1% to over 90%, with one-quarter reporting 10% or less of their household income from another pension, 40% reporting from 11%-33%, and one-third reporting more than a third, including 12% who received over half their household income from another pension. This last group included a number of retired military officers receiving pensions for their military service.

**Interest and Dividends.** Among those who reported the proportions of total household income received from the various sources, 87% indicated they had income from interest or dividends, but just 78% of the former support-staff workers. The reported percentage of total household income received from interest and dividends ranged from 1% to 90% and, in general, was surprisingly high, possibly because they

were reporting interest and dividend income for a year when interest rates were at extremely high levels. About one-quarter indicated they received less than 10% of their household income from interest and dividends, roughly another quarter reported from 11%-25%, one-third reported from 33%-50%, and 13% indicated they received more than half their household income from interest and dividends. Older respondents tended to receive a higher proportion of their income from interest and dividends — a median percentage of 32% for those over age 75 compared to 22% for the others.

**Current Employment.** Among those who reported the proportions of total household income received from the various sources, 23% indicated income from current employment, 27% of married respondents and 17% of non-married respondents. As with other pensions, it is not known to what degree this income was the spouse's for the married group. Twenty-three percent of the married females and 13% of the married males reported their spouses were presently employed; and, 24% of the married males and 17% of the married females reported they were employed at the time of the survey. Predictably, older respondents were less likely to report employment income.

The median percentage of total household income received from employment earnings was 15%, reflecting the fact that most employment after retirement was part-time, and just 77 respondents indicated that more than one-third of their household income came from this source.

**Drawing Down On Assets.** Among those who reported the proportions of total household income received from the various sources, 16% indicated they were drawing on savings or other assets for income. (In response to another question, 3% of the females and 2% of the males said they had no savings.) The median percentage of total household income derived from drawing down on savings and other assets was 7%, and just 13 respondents indicated that more than one-third of their total income came from this source.

**Individual Retirement Account (IRA) and Tax-Deferred Annuity (TDA).** Eight percent of those who reported the proportions of total household income received from the various sources indicated they had income from an IRA or TDA.

The median percentage of total income obtained from an IRA or TDA was 6%, and no one received more than one-third of their total income from this source. Over three-quarters of the group with income from an IRA or TDA received ten percent or less of their total income from this source.

**All Other Sources.** Twenty-one percent of those who reported the proportions of total household income received from the various sources indicated they had income from other sources. They were not asked to specify what those other sources were, although some volunteered this information, most often naming royalties and rental income. Former support-staff personnel were much less likely to report other sources of income — just 12% of this group did so.

The median percentage of total household income received from other sources was 9%, and only 34 respondents received more than one-third of their income from these sources.

## TOTAL HOUSEHOLD INCOME BY SOURCE

The previous section covered the various sources of the respondents' household income separately. In this section, the focus is on how the various sources contribute to total retirement income. As mentioned before, 80% of all the respondents reported the proportions of total household income they received from each of the various sources of their income. These people tended to have higher incomes; their median total household income was $25,480 compared to $14,350 for those who did not report the proportions of income from the various sources. As shown in Table 13, 88% of those who did report the proportions had income from three, four, or five different sources, while just 5% reported two sources of income and 7% reported more than five sources of income.

There were 128 different possible combinations of income sources for the 1,428 respondents who reported the proportions of total household income from each source. In actuality, they reported 74 different combinations of income sources.

Some combinations of income sources were reported much more frequently than others. For example, the 385 respondents who reported the proportions of total income from three sources had 21 possible combinations of sources, actually reported 14 different combinations, and 270 of them (70%) reported the combination of Social Security, TIAA-CREF, and interest and dividends.

## TABLE 13

NUMBER OF INCOME SOURCES FOR THOSE WHO REPORTED PROPORTIONS OF TOTAL INCOME BY SOURCE

| Number of Sources | No. of Respondents | % (base = 1,428) |
|---|---|---|
| Two | 67 | 5 |
| Three | 385 | 27 |
| Four | 550 | 39 |
| Five | 317 | 22 |
| Six | 88 | 6 |
| Seven | 21 | 1 |

In planning their retirement income, most of the respondents clearly intended to have income from personal savings complement their income from Social Security and pensions. Eighty-four percent were receiving income from personal savings (interest and dividends, drawing down savings, and/or payout of an IRA or TDA) along with income from Social Security and pensions (TIAA-CREF alone or in conjunction with a second pension). Most of the remaining 16% did not have income from personal savings, and they generally had lower household incomes, a median of $17,500 compared to $26,500 for those with personal savings income.

Table 14 shows the proportionate contribution to total household income, on average, of separate income sources for four subgroups of respondents: 1) those with income from Social Security, pensions, and personal savings only; 2) those with income from Social Security, pensions, personal savings, and current employment; 3) those with income from Social Security, pensions, personal savings, and other sources with the exception of current employment; and, 4) those with income from Social Security, pensions, personal savings, current employment, and other sources.

Evident from the data in Table 14 is the substantial contribution to total income made by the personal savings component. Also shown in Table 14 is further evidence that income rises along with the number of income sources. The median total household income for the first subgroup, those with income from Social Security, pensions, and personal savings only, is $23,300; this figure rises substantially for the other three subgroups, each of which has one or more additional income sources.

## NUMBER OF PERSONS SUPPORTED BY INCOME

Respondents were asked to indicate the number of people mainly supported by their income. Eighty-three percent of the married respondents said their incomes supported only themselves and their spouses and 9% reported they supported one or more others. The other 8% of the married respondents did not answer the question. Among non-married respondents, 89% of the never-married and 86% of the widowed, separated, or divorced indicated their incomes supported just themselves, 6% of both groups supported someone else as well, and the rest did not answer.

## TABLE 14

AVERAGE PERCENTAGE OF HOUSEHOLD INCOME FROM SELECTED DIFFERENT COMBINATIONS OF SOURCES

| Sources | 1 % (base = 746) | 2 % (base = 187) | 3 % (base = 190) | 4 % (base = 83) |
|---|---|---|---|---|
| Social Security | 38 | 31 | 27 | 24 |
| Pensions | 30 | 28 | 27 | 26 |
| Personal Savings | 32 | 22 | 32 | 22 |
| Current Employment | — | 19 | — | 15 |
| Other Sources | — | — | 14 | 13 |
| Median Total Income | $23,300 | $29,700 | $34,700 | $36,600 |

## ■ TABLE 15 COMPARISON OF CURRENT INCOME TO INCOME PRIOR TO RETIREMENT (UNADJUSTED FOR INFLATION)

| COMPARED TO PRERETIREMENT INCOME, CURRENT INCOME IS: | % (base = 1,707) | % (cumulative) |
|---|---|---|
| More | 28 | 28 |
| About the same | 26 | 54 |
| Over three-quarters | 9 | 63 |
| About three-quarters | 11 | 74 |
| About two-thirds | 7 | 81 |
| Between half and two-thirds | 7 | 88 |
| About half | 8 | 96 |
| Between one-third and half | 2 | 98 |
| One-third or less | 2 | 100 |

## COMPARISON OF CURRENT INCOME AND INCOME BEFORE RETIREMENT

Respondents were asked to give their best estimate of how their current income compared to their income before they retired, without any consideration for inflation's effect on the purchasing power of the dollar over the period since retirement. Five percent did not answer the question. Among the rest, over half reported their current income (in nominal dollars) was more than (28%) or about equal to (26%) their income just before they retired (see Table 15). Twenty percent said their current income was about three-quarters or more of their preretirement income, 7% indicated it was about two-thirds, 15% reported it was half or between half and two-thirds, and 4% said it was less than half.

Length of time retired was strongly associated with the percentage of preretirement income that current income represented. The respondents who were retired longer were much more likely to report more income now than before retirement. As shown in Table 16, almost half of those retired for more than ten years reported that the dollar amount of their current income is greater than before they retired, compared to just 12% of those retired less than three years, about one-quarter of those retired from three to five years, and about one-third of those retired from six to ten years. This finding, of course, is related to the context of the question: respondents were asked to compare current dollar amounts with preretirement dollar amounts without any adjustment for inflation that occurred after retirement, and virtually everyone's retirement income included CPI-indexed Social Security benefits. Indexed Social Security benefits do not fully explain the relationship between length of time retired and current income that exceeds preretirement income, however. This relationship existed even for those at relatively high income levels for whom Social Security benefits represented a comparatively small percentage of total income. No doubt the high interest rates of recent years partly account for this relationship also, as does the steadily-increased TIAA annuity payments over the past ten to fifteen years. Also, of course, salary levels ten to fifteen years ago were considerably below those of recent years.

## GENERAL FINANCIAL CONDITION

Four questions were designed to elicit information about the respondents' general financial condition. One asked how well they were living, taking both income and expenses into consideration. A second asked them to compare their overall financial situation at the time of the survey to that at the time they retired. A third asked whether they regularly had taken money from savings or had sold off assets to meet current expenses. The fourth asked whether they had to adjust their life style because of increases in the cost of living. Table 17 shows the respondents' answers to all four of these questions.

**How Well They Are Living on Their Income.** The majority of respondents believed their income allowed them to live *Very Well* (27%) or *Well* (37%), and another 31% felt their income was *Adequate*. Only 3% thought their income and expenses were such that they were living *Not Too Well*. Two percent did not answer the question.

How well respondents felt they could live on their incomes was closely associated with income level, as

## TABLE 16 CURRENT DOLLAR INCOME AS A PERCENT OF INCOME PRIOR TO RETIREMENT BY NUMBER OF YEARS RETIRED

| Current Income Is: | NUMBER OF YEARS RETIRED 0-1 % (base = 392) | 3-5 % (base = 414) | 6-10 % (base = 539) | More Than 10 % (base = 362) |
|---|---|---|---|---|
| More than 100% | 12 | 23 | 31 | 46 |
| About 100% | 29 | 29 | 24 | 23 |
| 66%-99% | 38 | 27 | 25 | 17 |
| Less than 66% | 21 | 21 | 20 | 14 |

would be expected. Those with relatively high incomes were more likely to report they were living very well on their incomes, while those with relatively low incomes were more likely to indicate they were living adequately on their incomes. Some groups felt they were doing better than others even when income level was controlled. For example, those in better health tended to feel they were living better on their incomes than those in poorer health and with comparable incomes. Similarly, those who were very satisfied with retirement felt they were living better on their incomes than those who were moderately satisfied with retirement and with comparable incomes.

**Overall Financial Situation Currently Compared to Time of Retirement.** Half the respondents felt their overall financial situation at the time of the survey was *About the Same* as when they retired, 28% thought it was *Better*, and 17% believed it was *Worse*. Five percent either were uncertain about the comparison (3%) or did not answer (2%).

Here, as well, the response pattern is associated with income level. Those with higher incomes were more likely to report their overall financial situation was better than before they retired, while those with lower incomes were more likely to indicate they were worse off financially than before retirement.

## TABLE 17 GENERAL FINANCIAL CONDITION

| | % (base = 1,794) |
|---|---|
| **How Well They Are Living On Their Income** | |
| Very well | 27 |
| Well | 37 |
| Adequately | 31 |
| Not too well | 3 |
| No answer | 2 |
| **Overall Financial Situation Compared To Time Of Retirement** | |
| Better now | 28 |
| About the same | 50 |
| Worse now | 17 |
| Not certain or no answer | 5 |
| **Regularly Drawn On Savings Or Other Assets To Pay Expenses** | |
| No | 84 |
| Yes | 12 |
| No savings | 2 |
| No answer | 2 |
| **Adjusted Life Style Because of Inflation** | |
| No | 68 |
| Yes | 29 |
| No answer | 3 |

**Whether Regularly Drew Down Savings or Other Assets.** Just 12% of the respondents reported they regularly took money from savings or sold assets to meet current expenses (other than to purchase something special). Income level was a major influence on this action. Those with relatively low incomes were more likely to have drawn on savings or other assets for current income.

**Whether Adjusted Life Style Because of Inflation.** Twenty-nine percent of the respondents said they had to make some adjustments in their life style because of increases in the cost of living since they retired, 68% had not, and 3% did not answer the question. Lower income respondents were somewhat more likely to have made life style adjustments because of inflation.

Specific changes in life style were mostly cutbacks in non-essentials, although some respondents reported adjustments involving necessities. The most often-cited life style adjustment was less travel or vacation. This change was reported by 33% of those who had made adjustments. Other specific adjustments indicated were less dining out and entertainment (23%) and buying fewer clothes (16%). Twenty percent stated they were cutting back on "extras" without being specific, and 15% said they were not buying as much. Fifteen percent mentioned cutbacks in such basic areas as food, fuel, or transportation, and 9% reported a curtailed life style without being more specific.

**1972 Survey Findings.** *In the 1972 survey of retired TIAA-CREF annuitants, respondents were asked how well their income permitted them to live, and the response pattern was similar to the 1982 survey. At that time, 21% felt their income allowed them to live Very Well, 34% said Well, 37% reported their income was Adequate, and 7% thought they were living Not Too Well on their income.*

*In the 1972 survey of retired TIAA-CREF annuitants, 14% of the respondents reported they had used savings or sold assets to meet current necessities but not to purchase something special, a proportion close to that of the present survey.*

Answers to the four questions covering the respondents' general financial condition were combined to obtain an overall measure of financial well-being. Six categories were created, based on the mix of each respondent's four answers: Highly Positive, Fairly Positive, Slightly Positive, Slightly Negative, Fairly Negative, and Highly Negative (see Table 18). For example, the Highly Positive subgroup were living *Very Well* on their income, had a *Better* overall financial situation now, had not drawn on savings, and had not had to make life-style adjustments because of inflation. In contrast, the Highly Negative subgroup were living either *Adequately* or *Not Too Well* on their income, had a *Worse* overall financial situation now, had drawn on savings, and had been affected by inflation. The other four categories fit between these extremes. Also, 16% of the respondents gave responses to the four questions that were too contrasting to be categorized (highly positive on some and highly negative on the others), and 5% did not answer one or more of the four questions.

A profile analysis was based on the respondents' general financial condition as determined by their combined answers to the four questions. Those who did not answer one or more of the four questions were

## ■ TABLE 18 GENERAL FINANCIAL CONDITION— COMBINED RESPONSES

| | % (base = 1,794) |
|---|---|
| Highly positive | 13 |
| Fairly positive | 36 |
| Slightly positive | 13 |
| Mixed positive and negative | 16 |
| Slightly negative | 11 |
| Fairly negative | 2 |
| Highly negative | 4 |
| Not classified | 5 |

dropped from the analysis, and those respondents classified as Fairly Negative were grouped with those classified as Highly Negative to form one subgroup, Strongly Negative. Six separate subgroups were analyzed and the results are shown in Chart 6.

Differences among the profile subgroups were in expected directions. The respondents who were classified as having a highly positive or a fairly positive overall financial condition (Subgroups 1 and 2) were well prepared for retirement and highly satisfied with it and with life in general. They tended to report better health and higher incomes than other respondents and were more likely than others to have income from a second pension and from interest and dividends. Both subgroups contained proportionately large numbers of married respondents and former faculty members or academic administrators.

Subgroup 3, comprised of respondents classified as having a slightly positive overall financial condition, had a proportionately large number of former support staff personnel. These people were more likely than other respondents to be moderately satisfied with their retirement plans and with retirement itself and to be fairly happy with life in general.

The respondents who could not be classified because they gave contrasting positive and negative answers to the four questions covering general financial condition (Subgroup 4) tended to be less satisfied with retirement and with life generally than the "positive" respondents and to have lower incomes. In addition, they tended to report poorer health.

The respondents in Subgroups 5 and 6 were classified as having a slightly negative or strongly negative overall financial condition. The slightly negative subgroup included a proportionately large number of not married females. They tended not to have prepared thoroughly for retirement and to be just moderately satisfied with retirement and with life in general. Their incomes tended to be below average as was their health. The strongly negative subgroup included proportionately large numbers of former support staff personnel and respondents who were widowed, separated, or divorced. They tended to be more negative than other respondents in attitudes about retirement and about life generally and also to report lower incomes and poorer health.

## ■ CHART 6 PROFILE: GENERAL FINANCIAL CONDITION

| Subgroup | Significant Subgroup Characteristics | Response Comparison Subgroup | Others |
|---|---|---|---|
| **1** Highly Positive (13% of Total) | **Higher proportion:** | | |
| | Were male | 75% | 57% |
| | Were married | 77% | 63% |
| | Were former faculty/administrators | 72% | 56% |
| | Had above average health | 4.0* | 3.6* |
| | Had been retired for longer period of time | 7.9 | 6.8 |
| | Retired by choice | 76% | 69% |
| | Would retire at the same age again | 77% | 66% |
| | Looked forward to retiring | 67% | 57% |
| | Made very thorough retirement plans | 56% | 31% |
| | Were very satisfied with retirement plans | 66% | 32% |
| | Were very satisfied with retirement | 79% | 46% |
| | Were very happy with life generally | 76% | 52% |
| | Had above average income | $37.7K | $21.8K |
| | Had above average income replacement ratio | 8.5** | 6.5** |
| | Had income from a second pension | 58% | 47% |
| | Had income from interest and dividends | 95% | 82% |

*On a scale of 1-5

**On a scale of 1-9

## ■ CHART 6 (Continued) PROFILE: GENERAL FINANCIAL CONDITION

| Subgroup | Significant Subgroup Characteristics | Response Comparison Subgroup | Others |
|---|---|---|---|
| **2** Fairly Positive (36% of Total) | **Higher proportion:** | | |
| | Were married | 70% | 62% |
| | Were former faculty/administrators | 62% | 56% |
| | Had above average health | 3.8* | 3.5* |
| | Retired by choice | 71% | 65% |
| | Would retire at the same age again | 76% | 63% |
| | Made very thorough retirement plans | 44% | 29% |
| | Were very satisfied with retirement plans | 48% | 29% |
| | Were very satisfied with retirement | 65% | 43% |
| | Were very happy with life generally | 67% | 48% |
| | Had above average income | $28.9K | $20.8K |
| | Had above average income replacement ratio | 7.5** | 6.4** |
| | Had income from a second pension | 55% | 45% |
| | Had income from interest and dividends | 90% | 81% |
| | | *On a scale of 1-5 | |
| | | **On a scale of 1-9 | |
| **3** Slightly Positive (13% of Total) | **Higher proportion:** | | |
| | Were former support staff | 31% | 18% |
| | Were moderately satisfied with retirement plans | 66% | 49% |
| | Were moderately satisfied with retirement | 56% | 39% |
| | Were fairly happy with life generally | 47% | 37% |
| | Had below average income | $18.1K | $24.8K |
| **4** Mixed Positive and Negative (16% of Total) | **Higher proportion:** | | |
| | Had below average health | 3.4* | 3.7* |
| | Said health is not as good now as in recent years | 31% | 21% |
| | Were not very satisfied with retirement | 60% | 47% |
| | Were fairly happy with life generally | 45% | 37% |
| | Had below average income | $20.0K | $24.7K |
| | Had below average income replacement ratio | 5.9** | 7.0** |
| | | *On a scale of 1-5 | |
| | | **On a scale of 1-9 | |
| **5** Slightly Negative (11% of Total) | **Higher proportion:** | | |
| | Were female | 51% | 39% |
| | Were not married | 44% | 34% |
| | Had below average health | 3.4* | 3.6* |
| | Would retire at an older age if could do again | 21% | 11% |
| | Did not make thorough retirement plans | 61% | 47% |
| | Were moderately satisfied with retirement plans | 64% | 49% |
| | Were moderately satisfied with retirement | 64% | 39% |
| | Were fairly happy with life generally | 52% | 36% |
| | Had below average income | $16.1K | $25.0K |
| | Had below average income replacement ratio | 5.3** | 7.0** |
| | | *On a scale of 1-5 | |
| | | **On a scale of 1-9 | |

## ■ CHART 6 (Continued) PROFILE: GENERAL FINANCIAL CONDITION

| Subgroup | Significant Subgroup Characteristics | Response Comparison Subgroup | Others |
|---|---|---|---|
| **6** Strongly Negative (6% of Total) | **Higher proportion:** | | |
| | Were widowed, separated, or divorced | 35% | 17% |
| | Were former support staff | 39% | 19% |
| | Had below average health | 3.2* | 3.6* |
| | Said health is not as good now as in recent years | 37% | 22% |
| | Did not retire by choice | 48% | 39% |
| | Would retire at an older age if could do again | 35% | 11% |
| | Disliked the idea of retiring | 37% | 17% |
| | Did not make thorough retirement plans | 61% | 47% |
| | Were not satisfied with retirement plans | 24% | 7% |
| | Were not satisfied with retirement | 22% | 4% |
| | Were fairly happy with life generally | 58% | 37% |
| | Had below average income | $14.0K | $24.7K |
| | Had below average income replacement ratio | 4.4** | 7.0** |
| | Did not have income from a second pension | 66% | 51% |
| | Did not have income from interest and dividends | 32% | 15% |

*On a scale of 1-5

**On a scale of 1-9

# HOUSING AND LOCATION

## OWNING OR RENTING

Seventy-eight percent of the respondents said they owned their home, 72% a house and 6% a condominium or cooperative unit, and 18% said they rented either an apartment (15%) or a house (3%). The other 4% had some other housing situation such as living in a life-care residence or nursing home or boarding with a relative or friend.

Marital status was a major determinant of whether one owned or rented. Eighty-eight percent of all married respondents reported they owned their home, compared to 54% of those who had never married and 63% of those who were widowed, separated, or divorced. Older respondents were less likely to be owners and more likely to rent or live in a life-care or nursing residence; 30% of those now over age 75 did not own their home, compared to 22% of those aged 70-75 and 17% of those aged 60-69.

Almost three-quarters of the homeowners (72%) no longer were making mortgage payments. Older homeowners were less likely to be paying off a mortgage—87% of those now over age 75 were not making mortgage payments compared to 79% of those aged 70-75 and 62% of those aged 60-69.

(These findings are similar to those of a 1981 nationwide survey sponsored by the American Association of Retired Persons which found that 79% of retired Americans own their homes and 20% rent. Seventy-four percent of the homeowners own their home outright without a mortgage.)

**1972 Survey Findings.** *In the 1972 survey of retired TIAA-CREF annuitants, 70% of the respondents said they owned their homes, 22% said they rented, and 7% reported some other arrangement, most residing with a relative or friend. Eighty-one percent of the homeowners did not have a mortgage.*

## PREFERENCE FOR PRESENT HOME

All respondents were asked whether they would prefer to continue living in their present home or to move somewhere else. Eighty-three percent indicated they preferred to stay in their present home, 10% preferred to move, 5% were uncertain, and 2% did not answer the question.

The 10% who preferred to move were asked to give their reasons for wanting to relocate. Twenty-one percent of this group wanted a smaller, more convenient residence, 19% wanted a better climate, 16% wanted a nicer or safer area in which to live, 10% wanted to relocate nearer to family, and 7% wanted to reduce home maintenance responsibilities. The rest gave other, less specific reasons or did not answer.

## LIVING ARRANGEMENT

The respondents reported varying living arrangements—the number and relationship of people in their home—depending principally on marital status. Eighty-eight percent of the married respondents lived with their spouses only and 11% lived with their spouses and one or more others, usually children. One percent of the married respondents lived alone without a spouse present. Sixty-two percent of the never married respondents lived alone and 38% lived with one or more others. Seventy-four percent of the widowed, separated, and divorced respondents lived alone, 23% lived with another or others, and 3% did not answer.

## RESIDENTIAL MOBILITY

Fifty-seven percent of the respondents reported living in the same home they occupied before retiring and 43% indicated they had moved to a new home since their retirement. Change of residence was associated with increasing age; the older respondents, especially older females, were more likely to have moved (see Table 19). Of the females, 59% now over age 75 had moved since retiring compared to 50% of those aged 70-75 and just 33% of those aged 60-69. The corresponding percentages for the males were 49%, 43%, and 37%. Deteriorating health, loss of spouse, and other changes that accompany aging can often dictate a change in residence and, predictably, this was the experience of more female respondents than male. This can be seen also in Table 19. The males were much more likely to make the decision to move — or stay — around the time of retirement and not afterwards. Females, however, were much more likely to move after they had been retired awhile, and this was especially true for never-married and widowed, separated, or divorced females.

Overall, 60% of those who had moved since retiring reported they did so at or about the time of retirement and 40% had moved later on in the retirement period. This 60/40 ratio is fairly uniform at all ages for males who had moved; but the ratio changes considerably with age for females who had moved. Seventy percent of the females now aged 60-69 who had moved

## ■ TABLE 19 RESIDENTIAL MOBILITY SINCE RETIREMENT BY AGE AND SEX

| | DID NOT MOVE | MOVED AT RETIREMENT | MOVED AFTER RETIREMENT |
|---|---|---|---|
| **Age 60-69** | | | |
| Female (base = 325) | 67% | 23 | 10 |
| Male (base = 466) | 63% | 26 | 11 |
| **Age 70-75** | | | |
| Female (base = 233) | 50% | 25 | 25 |
| Male (base = 361) | 57% | 26 | 17 |
| **Over Age 75** | | | |
| Female (base = 166) | 41% | 20 | 39 |
| Male (base = 243) | 51% | 31 | 18 |

did so at or about the time of retirement, but this proportion decreases to 50% of the females aged 70-75 who had moved and to just 34% of the females over age 75 who had moved.

Almost three-quarters (73%) of the respondents who had moved now live in a different area than they did before retirement. Younger movers, those aged 60-69, were somewhat more likely to have relocated to a different area.

Reasons for moving varied but generally were what would be expected of people relocating at the start of retirement or afterwards. Some respondents gave multiple reasons. Thirty percent moved to be nearer family or friends, 29% sought a better climate, 17% wanted a nicer or safer area, 17% were looking to reduce home maintenance responsibilities, 16% wanted a smaller residence, and 15% wanted to reduce their costs of maintaining a home, including taxes.

**1972 Survey Findings.** *In the 1972 survey of retired TIAA-CREF annuitants, 51% of the respondents were living in the same house they occupied before retirement and 48% had moved at or after retirement. The older respondents were more likely to have changed residence. Seventy-three percent of those who moved did so at or about the time they retired and the other 27% had moved some time after retiring.*

# RETIREMENT ACTIVITIES

The respondents were different than the general population of retirees in their interest in working after retiring (especially in their ability to find employment) and in their interest in doing volunteer work after retiring. Also, they were generally a highly active group.

## WORK EXPERIENCE AFTER RETIREMENT

In answer to a question asking if they had expected to work for salary or other compensation after they retired, 63% indicated they had not, 28% reported they had, and 9% were not certain. Males were somewhat more likely than females to have expected to work after retiring — 32% compared to 22%.

The vast majority of the respondents had their expectations about work after retiring realized even though substantially more of the respondents actually did work for salary following retirement than thought they would. Forty-five percent reported they had worked for salary after retiring (although 28% reported they had expected to work). Most (80%) of them had part-time employment. The remaining 55% of the respondents indicated they had not worked for salary after retiring, and over 90% of this group reported they had never sought paid work following retirement. Overall, 21% of the respondents experienced a reality that did not conform to their expectations: 16% did not expect to work but did, while 5% expected to work but did not. The 9% who were uncertain about their expectations tended to work (5%) rather than not (3%).

At the time of the survey, 21% of the respondents were employed, 17% part-time and 4% full-time. Those who were working tended to be younger than other respondents, although 12% of all respondents over age 75 were employed at the time of the survey.

Proportionately more males than females had worked after retiring — 49% compared to 38% — and proportionately more males were currently employed — 25% compared to 16%. Respondents who formerly were faculty, academic administrators, or other professionals were more likely to have worked after they retired.

Only a small minority of those who worked after retiring, 9%, reported having any difficulty in finding suitable work. The two principal problems encountered were lack of opportunity, often due to geographical location, and (a perceived) age bias. A major reason for the lack of difficulty in finding work after retirement was that the type of work performed generally was consistent with the type of work done before retirement. Eighty percent of the respondents who formerly were faculty and academic administrators and who worked after retirement did so as faculty, as consultants, or in another professional capacity. Similarly, 85% of those who formerly were support-staff personnel and who worked after retirement did so in retail or service trades, as secretaries, etc.

The respondents who worked after retiring were asked if their main reason for resuming or continuing work was financial or non-financial. The majority reported they worked after retirement for non-financial reasons, either exclusively (34%) or in conjunction with financial reasons (52%). Just 12% reported they worked after retirement solely because of financial reasons. Former support-staff personnel were more likely to have worked after retirement strictly for the income — 29% compared to 9% of those with other occupational backgrounds. Fifty-five percent of those who did not expect to work after retirement, but actually did, reported they returned to work solely because of non-financial reasons.

## VOLUNTARY SERVICE AFTER RETIREMENT

Exactly half the respondents reported they had performed volunteer or charitable non-remunerative service during their retirement and the other half said they had not. Females were somewhat more likely than males to have been involved in volunteer or charitable activities — 57% compared to 45% of the males, including 70% of the females who had never married. Former support-staff personnel were much less likely to have engaged in volunteer service — 15% of the males and 41% of the females compared to 50% of the males and 63% of the females with other work backgrounds. (Volunteer service traditionally has been more commmon in higher income groups.) Ninety percent of the respondents who had not been involved in volunteer or charitable service since retiring said they had never looked into doing this activity.

At the time of the survey, 38% of the respondents were engaged in volunteer service. Those over age 75 were less likely to be active in this area. (A 1981 nationwide survey sponsored by the American Association of Retired Persons found that 28% of retired Americans spent some time on volunteer activities during the past year.)

## ■ TABLE 20 WORK AND VOLUNTEER SERVICE EXPERIENCES AFTER RETIREMENT

| | MALE % (base = 1,070) | FEMALE % (base = 724) |
|---|---|---|
| Both employment and voluntary service | 25 | 26 |
| Employment but no voluntary service | 24 | 13 |
| Voluntary service but no employment | 19 | 32 |
| Neither employment nor voluntary service | 31 | 29 |
| Not classified | 1 | 1 |

Some of the volunteers spent a considerable amount of time on their activities, but almost two-thirds of them devoted less than ten hours a week. The median number of hours given to volunteer service each week was six.

Respondents' volunteer and charitable activities covered a wide variety of interests, of course, and some were involved in two or more areas of service. Broadly classified, 28% were involved in a community or civic activity such as United Way, Girl Scouts, etc.; 27% performed some educational or cultural service such as Headstart volunteer, museum or library volunteer, etc.; 27% aided a church, synagogue, or other religious organization in some capacity such as Sunday school teacher, director of a choir, etc.; 15% donated time to a hospital or health service; 13% helped older people in some way such as Meals on Wheels driver, helper at a senior citizens center; and, 14% did not specify the volunteer or charitable institution they served.

## WORK AND VOLUNTEER SERVICE EXPERIENCES AFTER RETIREMENT

Table 20 shows the distribution of respondents according to their work and volunteer service experiences after retirement. One-quarter of both males and females worked for pay and performed voluntary service after retirement, while about 30% of both sexes did neither. Proportionately more males than females worked but did not engage in volunteer activities, while proportionately more females than males did volunteer service but were never employed. *(This distribution is almost identical to the distribution of respondents in the 1972 survey of retired annuitants on their work and volunteer service experiences after retiring.)*

Whether or not one ever worked and/or performed volunteer service after retiring seemed to have had little influence on one's retirement satisfaction or life satisfaction, with one exception. About equal proportions of those who had engaged in both, one or the other only, or neither reported they were very satisfied, moderately satisfied, or not satisfied with retirement, and the same applies to their response pattern to the question about life satisfaction. However, those currently involved in volunteer service did have a more positive association with satisfaction, especially those who were devoting ten or more hours a week to it. But these people tended to be in the highest income groups and younger, two factors that also strongly correlated with retirement satisfaction and life satisfaction.

## INTERESTS AND ACTIVITIES

Respondents were asked to indicate some of the things they do in retirement by checking Yes or No for each entry on a list of thirteen different activities and interests. No attempt was made to learn how many hours a day they devote to these activities and interests. As shown in Table 21, the respondents were quite active and had a wide variety of interests. Column 1 of this table indicates, in descending order and separately for males and females, the proportion of respondents who reported they were presently pursuing each of the activities and interests. Only 1% of the respondents did not report on their interests and activities.

Proportionately more females socialized on a regular basis (84% compared to 69% of the males) and participated in religious or church acitivity other than attendance at services (45% compared to 31% of the males). Males were more likely to do gardening and home improvement projects (76% compared to 64% of the females). Former support-staff personnel as a group, but especially the males, were less active than other respondents; relatively few of them participated in a professional or job-related organization, engaged in creative pursuits, or attended an educational program.

## ■ TABLE 21 INTERESTS AND ACTIVITIES

| | 1 % PURSUING ACTIVITY | | 2 % RATING IT FAVORITE | |
|---|---|---|---|---|
| | MALES (base = 1,070) | FEMALES (base = 724) | MALES (base = 867) | FEMALES (base = 614) |
| Reading | 91 | 94 | 34 | 45 |
| Socializing with friends on a regular basis | 69 | 84 | 9 | 22 |
| Gardening and home improvement projects | 76 | 64 | 22 | 17 |
| Recreational travel | 66 | 66 | 25 | 28 |
| Hobbies and crafts | 58 | 65 | 26 | 28 |
| Creative pursuits such as writing or painting | 45 | 39 | 28 | 14 |
| Religious and church activity | 31 | 45 | 7 | 12 |
| Community service and political activity | 33 | 38 | 6 | 6 |
| Participant sports and physical fitness program | 36 | 30 | 18 | 10 |
| Involvement in a professional or other job related organization | 33 | 29 | 4 | 4 |
| Involvement in a civic, fraternal, or other formal group | 28 | 34 | 3 | 3 |
| Attending an educational program | 25 | 32 | 2 | 5 |
| Involvement in a retirees' club or organization | 22 | 26 | 1 | 3 |

The respondents were asked which, if any, of their activities and interests they especially enjoyed doing. Eighty-three percent reported having a favorite activity or interests, 11% said they did not, and 6% did not answer. Those who had a favorite activity or interest were requested to identify it and Table 21 shows their preferences in Column 2. Many indicated multiple favorites. There were a number of male-female differences in favorite interests and activities. Reading was the choice of the greatest number of both females (45%) and males (34%). The second greatest number of females (29%) picked recreational travel, while creative pursuits was the choice of the second greatest number of males (28%). Following in order for females were hobbies and crafts (28%), socializing with friends (22%), gardening and home improvement projects (17%), creative pursuits (14%), and religious and church activity (12%). For males, the next five favorites were hobbies and crafts (26%), recreational travel (25%), gardening and home improvement projects (22%), participant sports and physical fitness program (18%), and socializing with friends (9%).

Table 22 shows the number of different interests and activities the respondents had. Three-quarters were involved in five or more of the thirteen interests and activities, and almost half (46%) were involved in seven or more.

## ■ TABLE 22 NUMBER OF INTERESTS AND ACTIVITIES

| | % (base = 1,794) | % (cumulative) |
|---|---|---|
| One | 3 | 3 |
| Two | 4 | 7 |
| Three | 7 | 14 |
| Four | 11 | 25 |
| Five | 13 | 38 |
| Six | 15 | 53 |
| Seven | 14 | 67 |
| Eight | 13 | 80 |
| Nine | 8 | 88 |
| Ten or more | 11 | 99 |
| No answer | 1 | 100 |

## TABLE 23 PATTERN OF INTERESTS AND ACTIVITIES

| | % (base = 1,768) |
|---|---|
| Personal only | 9 |
| Personal mostly | 54 |
| Balanced personal and social | 14 |
| Social mostly | 22 |
| Social only | 1 |

For analysis, the thirteen different interests and activities were divided into two groups labeled personal and social. The personal group included gardening and home improvement projects, hobbies and crafts, sports and physical fitness, recreational travel, creative pursuits, and reading. The social group included attending an educational program, community service and political activity, participation in a professional organization, involvement in a formal group, participation in a retirees' club, socializing with friends, and religious activity.

As shown in Table 23, most respondents had both personal and social pursuits. Only 10% reported interests and activities that were exclusively personal or social. Most respondents had more pursuits of a personal nature than of a social nature; 77% indicated that at least half their interests and activities were personal. As mentioned previously, however, no attempt was made to learn how much time was devoted to each pursuit.

# HEALTH AND HEALTH INSURANCE COVERAGE

## ■ TABLE 24 RATING OF HEALTH

| | RESPONDENT'S OWN % (base = 1,794) | RESPONDENT'S SPOUSE % (base = 1,169) |
|---|---|---|
| Excellent | 22 | 18 |
| Very good | 29 | 29 |
| Good | 37 | 33 |
| Poor | 9 | 11 |
| Very poor | 2 | 2 |
| No answer | 1 | 7 |

## HEALTH EVALUATIONS

The respondents considered themselves to be in good health based on their answers to a question asking them to evaluate their own health in relation to others their age. As shown in Table 24, just over half described their health as *Excellent* (22%) or *Very Good* (29%) and 37% considered their health to be *Good*. Eleven percent rated their health *Poor* or *Very Poor*. Married respondents also were asked to rate their spouse's health in relation to others their age and the response pattern was similar, although 7% of them did not answer the question (see Table 24 also).

Predictably, younger respondents were more likely to rate both their own health and, if married, their spouse's health more positively. On the other hand, former support-staff personnel, who tended to be younger as a group, were more likely to give a negative rating to their own health and, if married, to their spouse's health.

A profile analysis was based on self-reported health (in relation to others their age). For this analysis, those reporting poor health were combined with those reporting very poor health to form one subgroup. As shown in Chart 7, there were significant differences among the four profiled subgroups, although most of these differences would normally be expected when differentiating people by health. Those in excellent or very good health were younger than other respondents, more satisfied with retirement, more active after retiring, and better-situated financially. Those in just good health were older than other respondents and were more likely to be moderately satisfied with retirement and to have an adequate financial situation. Also, they were more likely to report their health had deteriorated in recent years. Those in poor health tended to have more negative attitudes toward retirement than other respondents, to be less active after retiring, and to be not as well-situated financially. They too were more likely to report their health had deteriorated in recent years.

## ■ CHART 7 PROFILE: SELF-EVALUATIONS OF HEALTH

| Subgroup | Significant Subgroup Characteristics | Response Comparison Subgroup | Others |
|---|---|---|---|
| **1** In Excellent Health (22% of Total) | **Higher proportion:** | | |
| | Were on younger side of age range | 70.4 | 71.4 |
| | Said health is about the same as in recent years | 87% | 58% |
| | Planned very thoroughly for retirement | 44% | 32% |
| | Were very satisfied with retirement | 68% | 46% |
| | Were very happy with life generally | 75% | 50% |
| | Had worked after retiring | 55% | 42% |
| | Had done volunteer service after retiring | 57% | 48% |
| | Had above average income | $28.4K | $22.2K |
| | Were living very well on income | 45% | 22% |

## ■ CHART 7 (Continued) PROFILE: SELF-EVALUATIONS OF HEALTH

| Subgroup | Significant Subgroup Characteristics | Response Comparison Subgroup | Response Comparison Others |
|---|---|---|---|
| **2** In Very Good Health (29% of Total) | **Higher proportion:** | | |
| | Said health is about the same as in recent years | 82% | 57% |
| | Had above average income | $25.4K | $22.7K |
| | Were living well on income | 44% | 34% |
| **3** In Good Health (37% of Total) | **Higher proportion:** | | |
| | Were on older side of age range | 71.1 | 70.8 |
| | Said health is not as good now as in recent years | 41% | 13% |
| | Were reasonably satisfied with retirement | 50% | 36% |
| | Were fairly happy with life generally | 51% | 31% |
| | Had below average income | $21.0K | $24.6K |
| | Were living adequately on income | 39% | 26% |
| **4** In Poor Health (11% of Total) | **Higher proportion:** | | |
| | Were widowed, separated, divorced | 27% | 17% |
| | Said health is not as good now as in recent years | 46% | 21% |
| | Did not retire by choice | 51% | 30% |
| | Disliked the idea of retiring | 28% | 17% |
| | Did not make plans for retirement | 21% | 11% |
| | Were not satisfied with retirement | 16% | 3% |
| | Had not worked after retiring | 70% | 54% |
| | Had not done volunteer service after retiring | 52% | 37% |
| | Had below average income | $16.4K | $24.2K |
| | Were living adequately on income | 43% | 30% |
| | Had a worse overall financial situation | 30% | 15% |

**1972 Survey Findings.** *In the 1972 survey of retired TIAA-CREF annuitants, the respondents also evaluated their own health and, if married, the health of their spouses in relation to others their age. Although the rating scale was somewhat different from the 1982 survey scale — the 1972 categories were Very Good, Good, Average, Poor, Very Poor — the results were comparable. Most considered themselves and their spouses to be in fine health: 35% thought their own health was Very Good, 37% felt it was Good, 20% considered their health to be Average, and 7% rated it Poor or Very Poor. The married respondents' ratings of their spouse's health were almost identical.*

In a second question covering current health, the respondents to the 1982 survey were asked how the present state of their health compares to its state in recent years. Sixty-four percent felt their health was about the same now as it had been in recent years, 8% felt it had improved, and 27% felt it had deteriorated. Older respondents were more likely to have reported a worsened health condition — 38% of those over age 75 compared to 28% of those aged 70-75 and 21% of those aged 60-69.

(A 1981 nationwide survey of persons aged 55 and older sponsored by the American Association of Retired Persons asked respondents whether their health was better, worse, or stayed about the same during the past year or so. The response pattern was similar to the TIAA-CREF study: 72% said there was no change, 10% reported better health, and 18% thought their health was worse.)

## HEALTH INSURANCE COVERAGE

Ninety-eight percent of the respondents reported having some health insurance, 1% said they did not and 1% did not answer. *(This is exactly the same response pattern that appeared in the 1972 survey of retired TIAA-CREF annuitants.)* Every respondent over age 65 participated in the federal Medicare program, three-quarters of them in both Part A (hospital insurance) and Part B (supplementary medical insurance). Over 90% of those covered by Medicare also had

## TABLE 25 HEALTH INSURANCE COVERAGE

| | % (base = 1,794) |
|---|---|
| Both Medicare and private coverage | 79 |
| Private coverage only | 10 |
| Medicare only | 9 |
| No health insurance coverage | 1 |
| No answer | 1 |

private health insurance, as did all but 9 of the respondents under age 65 (and, therefore, too young to be eligible for Medicare). Among those with private health insurance, 51% were covered by a group policy of a former employer or some other organization, 28% had individual coverage they purchased on their own, and 11% had both group and individual coverage. Table 25 shows the respondents' reported health insurance coverage.

Respondents were asked to evaluate the quality of their insurance coverage on the scale of Very Good, Adequate, Less Than Adequate, Poor. Twenty-six percent felt their coverage was *Very Good*, 57% felt it was *Adequate*, 10% felt it was *Less Than Adequate*, and 2% felt it was *Poor*. The other 5% either were not certain (4%) or did not answer (1%). Former support-staff personnel were somewhat more likely to have considered their health insurance coverage to be *Less Than Adequate* or *Poor*.

**1972 Survey Findings.** *In the 1972 survey of retired TIAA-CREF annuitants, respondents also were asked to evaluate their health insurance coverage but on a slightly different scale: Very Good, Good, Poor, Very Poor. The results were quite similar to the 1982 survey. Twenty-seven percent gave a Very Good rating, 62% a Good rating, 8% a Poor or Very Poor rating, and 3% did not answer the question.*

# PERSONAL VIEWS ON RETIREMENT

Respondents were invited to express their views regarding retirement by responding to two broadly-stated questions covering personal experiences in retirement. One question asked them to discuss what they feel are the main attractions and the main drawbacks of retirement. The other question asked, if they could, what would they do (or have done differently) to make their retirement more rewarding.

Eighty-six percent of the respondents wrote responses to one or both of these questions. Most of the responses were in essay style; some were lists and a few were a short sentence or two. Former support-staff personnel were somewhat less likely to respond to the two questions, 77% compared to 88% of those with other occupational backgrounds.

A content analysis of the responses identified eight categories of attractions and seventeen categories of drawbacks that were cited by the respondents (see Table 26). Also identified were twenty-one specific ways to have enriched retirement that were mentioned by the respondents (see Table 27).

Many of the respondents' essays contained much more than simple enumerations of retirement's attractions and drawbacks and of ways to better prepare for retirement. They also included broader statements and personal philosophies on retirement and life. Some were long essays, filling the four pages allotted for response; a small percentage of respondents at-

## ■ TABLE 26 RETIREMENT ATTRACTIONS AND DRAWBACKS

| | % (base = 1,540) |
|---|---|
| **1 Main Attractions** | |
| Freedom to do whatever one wants | 41 |
| Opportunity to pursue special interests and hobbies | 41 |
| Opportunity to travel | 22 |
| Release from constraint of the work schedule | 21 |
| Release from stress and demands of work | 21 |
| Opportunity to spend more time with spouse, family, friends | 18 |
| Opportunity to relax, take it easy | 6 |
| Opportunity to live where one wants | 6 |
| Generally happy, content, satisfied | 5 |
| Nothing attractive about retirement | 2 |
| No answer | 14 |
| **2 Main Drawbacks** | |
| Loss of social contacts with colleagues, students | 15 |
| Physical deterioration, limitations | 12 |
| Reduced income | 11 |
| Lack of challenge, stimulation provided by work | 10 |
| Loss of status, prestige provided by work | 6 |
| Lack of meaningful activity/boredom | 6 |
| Inflation | 6 |
| Loss of routine, structure provided by work | 4 |
| Loneliness/isolation | 4 |
| Widowhood/illness of spouse | 3 |
| Prefer to be working | 3 |
| Worry about financial future | 3 |
| Making new friends | 2 |
| Time often wasted | 2 |
| High medical costs | 2 |
| Age discrimination/ageism | 2 |
| Separation from family, old friends | 2 |
| No drawbacks to retirement | 18 |
| No answer | 21 |

tached extra pages of comments. Many of the essay responses expressed strong sentiments and opinions.

The content analysis of the responses was more a quantitative than a qualitative procedure, and this section of the report deals only with the quantitative aspect. An additional analysis of the responses was done to study their "flavor" and "feeling". A companion report to this one contains the results of the broader analysis of the essay responses and is intended to serve as a retirement preparation guide.

## RETIREMENT ATTRACTIONS AND DRAWBACKS

The first of the two essay-response questions had two parts. It asked for comments on what respondents felt were the main attractions of retirement and also on what they felt were retirement's main drawbacks. Eighty-six percent of the 1,540 people who answered one or both of the two questions commented on retirement's attractions and 79% commented on the drawbacks of retirement. Many who did comment cited multiple attractions and drawbacks.

A majority of the respondents felt the main attraction of retirement was the freedom it afforded to do *what* one wants *when* one wants, observing only, as a respondent put it, financial constraints and the ten commandments. As shown in Table 26, 41% cited freedom or independence in a general sense without being specific about what they were doing with the free time, while 41%, some the same people, explained how they welcomed the opportunity to pursue special interests and hobbies they did not have time for when working. Twenty-one percent said the freedom from a work schedule, from a 9 to 5 day, was retirement's main attraction, and 21% also cited the absence of another dimension of work, its stress and demands, as a main attraction.

Twenty-two percent mentioned specifically that a main attraction of retirement was the opportunity to travel for pleasure. Eighteen percent felt a main attraction of retirement was the chance to spend more time with spouse, family, and friends. Six percent liked the opportunity to relax and take it easy, and 6% also liked the chance to live where they wanted or to escape a disagreeable climate in their preretirement place of residence.

Five percent commented generally that they were content or happy, while 2% said they found nothing at all attractive about retirement.

The respondents' comments about the main drawbacks of retirement were much less concentrated than their comments on retirement's attractions (see Table 26). Over twenty different drawbacks were indicated, although few were cited by a substantial percentage of the respondents. In fact, the comment most frequently made about retirement's drawbacks was that it had none. Many of the respondents had been retired for only a short time and may not yet have experienced problems or disappointments associated with retirement.

A number of respondents wrote about drawbacks related to leaving work. Fifteen percent cited the loss of social contact with colleagues and/or students, 10% missed the stimulation and challenge provided by work, 6% noted the loss of status or prestige associated with work, and 4% said they missed the routine and structure in their lives that work provided. Similarly, 6% found they had no meaningful activity, 3% said they would rather be working, and 2% felt they too often were wasting time.

Some main drawbacks involved health and finances. Twelve percent, many of them older, complained about deteriorating health or a physical limitation associated with aging, and 2% were worried their health insurance was inadequate for the high costs of medical care. Eleven percent were unhappy with the amount of their income, which prevented them from doing things they wanted to do, and 6% mentioned inflation or the squeeze caused by rising prices and a partially fixed income. Three percent said they felt insecure about their future financial situation in general.

Other main drawbacks mentioned by a small percentage of the respondents were loneliness or increasing isolation, loss of spouse or the serious illness of a spouse, difficulty in making friendships, changes associated with relocation, principally the separation from family and friends, and the perceived low status of older people in American society.

## ACTIONS THAT WOULD HAVE MADE RETIREMENT MORE REWARDING

The second of the two essay-response questions asked respondents what they might do or have done to make their retirement more rewarding. Their comments covered a wide range and many gave multiple answers; over twenty-five different actions were cited,

## TABLE 27 ACTIONS THAT WOULD HAVE MADE RETIREMENT MORE REWARDING

| | % (base = 1,540) |
|---|---|
| Would have done nothing else, nothing differently | 27 |
| Assured a larger retirement income | 14 |
| Developed interests and hobbies to fill the free time | 6 |
| Contributed more to TIAA-CREF annuities | 5 |
| Retired later than did | 5 |
| Not participated in CREF | 3 |
| Retired earlier than did | 3 |
| Moved to a different location, home | 2 |
| Not moved to a different location, home | 2 |
| Thought more about retirement beforehand | 2 |
| Continued or resumed working after retirement | 2 |
| Had inflation protection | 2 |
| Had taken better care of health | 2 |
| Joined a pension plan sooner | 2 |
| Traveled more | 2 |
| Made better retirement plans | 1 |
| Not stayed in education | 1 |
| Joined a social club, organization | 1 |
| Phased into retirement | 1 |
| Had better health insurance | 1 |
| Developed friendships outside work | 1 |
| No answer | 22 |

but only a few of them were indicated by more than 5% of the respondents (see Table 27). In fact, the largest percentage of respondents (27%) wrote they would not have done anything differently or could not have done anything differently. Clearly, there was little common ground among the respondents regarding their feelings about what they might have done differently to better prepare for retirement. This reflects, no doubt, individual differences in what is perceived to be important and unimportant, but also underlines the abundance of concerns people have (or should have) when looking ahead to retirement.

Among the specific responses, the greatest number (14%) involved doing something that would have produced a larger retirement income. In a related vein, 5% of the respondents said they either would have joined TIAA-CREF sooner or would have contributed more to their TIAA-CREF contracts, and another 2% wished they had joined some pension plan sooner, without naming TIAA-CREF. In contrast, 3% regretted having put as much money into TIAA-CREF, especially CREF, or having joined TIAA-CREF at all.

Other responses focused on some traditional retirement planning concerns: developing interests and hobbies to pursue in retirement, developing non-work social ties, whether to continue working after formally retiring, relocating or staying put, adequate health insurance, inflation protection, etc.

# THE RESPONDENT GROUP

## ■ TABLE 28 AGE AT TIME OF SURVEY

| AGE | % (base = 1,794) | % (cumulative) |
|---|---|---|
| 60-61 | 2 | 2 |
| 62-63 | 5 | 7 |
| 64-65 | 8 | 15 |
| 66-67 | 15 | 30 |
| 68-69 | 14 | 44 |
| 70-71 | 13 | 57 |
| 72-73 | 11 | 68 |
| 74-75 | 9 | 77 |
| 76-77 | 8 | 85 |
| 78-79 | 6 | 91 |
| 80-85 | 7 | 98 |
| Over 85 | 2 | 100 |

## AGE AT TIME OF SURVEY

The respondents ranged in age from 60 to 95. The median age was 71, with females being slightly younger on average than males. Table 28 shows the age distribution. Overall, 44% of the respondents were in their 60's, 47% were in their 70's, and 9% were in their 80's. Only eleven respondents were in their 90's.

Respondents were profiled by their age distribution after being divided into five age groupings: 1) aged 60-64, 2) aged 65-69, 3) aged 70-74, 4) aged 75-79 and, 5) aged 80 and older. The analysis revealed a number of significant differences among the subgroups (see Chart 8).

The two youngest subgroups (Subgroups 1 and 2) had a proportionately large number of former support-staff personnel. As would be expected, they had been retired fewer years than other respondents and tended to have retired at younger ages and voluntarily. They were more likely to have looked forward to retiring yet also to have been employed at the time of the survey. The Subgroup 2 respondents had several additional distinctive characteristics: their financial situation was less likely to have changed since the time they retired (which, of course, was relatively recently), and they were less likely to have moved since retiring.

Subgroup 3, those aged 70-74, were distinctive only in having retired at relatively older ages and, in general, somewhat reluctantly. This was true also of the aged 75-79 subgroup and the aged 80 and older subgroup, although they both had other distinctive characteristics, including a proportionately large number of former faculty and academic administrators. The oldest respondents, in particular, showed a higher incidence of poor health and widowhood, a reduced activity level, and generally lower income although with a generally high income replacement ratio.

## ■ CHART 8 PROFILE: AGE AT TIME OF SURVEY

| Subgroup | Significant Subgroup Characteristics | Response Comparison Subgroup | Others |
|---|---|---|---|
| **1** Aged 60-64 (11% of Total) | **Higher proportion:** | | |
| | Were retired fewer years | 2.9 | 7.4 |
| | Were former support staff | 28% | 19% |
| | Retired at a younger age | 59.7 | 64.8 |
| | Retired by choice | 81% | 66% |
| | Looked forward to retiring | 68% | 57% |
| | Were currently employed | 27% | 20% |
| | Had below average income replacement ratio | 6.0* | 6.9* |

*On a scale of 1-9

## ■ CHART 8 (Continued) PROFILE: AGE AT TIME OF SURVEY

| Subgroup | Significant Subgroup Characteristics | Response Comparison Subgroup | Others |
|---|---|---|---|
| **2** Aged 65-69 (33% of Total) | **Higher proportion:** | | |
| | Were retired fewer years | 3.7 | 8.6 |
| | Were former support staff | 25% | 17% |
| | Retired at a younger age | 63.4 | 64.7 |
| | Retired by choice | 78% | 62% |
| | Looked forward to retiring | 65% | 55% |
| | Had last employer offer retirement planning help | 29% | 17% |
| | Had not relocated after retiring | 66% | 53% |
| | Were currently employed | 25% | 19% |
| | Had an unchanged overall financial situation | 56% | 48% |
| **3** Aged 70-74 (29% of Total) | **Higher proportion:** | | |
| | Retired at an older age | 65.0 | 63.9 |
| | Did not retire by choice | 38% | 31% |
| **4** Aged 75-79 (18% of Total) | **Higher proportion:** | | |
| | Were retired more years | 10.8 | 6.1 |
| | Were former faculty/administrators | 66% | 56% |
| | Retired at an older age | 66.1 | 63.9 |
| | Did not retire by choice | 47% | 30% |
| | Were not currently employed | 84% | 78% |
| **5** Aged 80 and Older (9% of Total) | **Higher proportion:** | | |
| | Were retired more years | 16.4 | 6.0 |
| | Were widowed | 22% | 13% |
| | Were former faculty/administrators | 74% | 56% |
| | Had below average health | 3.4* | 3.6* |
| | Said health is not as good now as in recent years | 36% | 22% |
| | Retired at an older age | 66.9 | 64.0 |
| | Did not retire by choice | 46% | 31% |
| | Did not have last employer offer retirement planning help | 95% | 78% |
| | Were not currently employed | 91% | 78% |
| | Relocated after retiring | 60% | 41% |
| | Had below average income | $20.0K | $23.7K |
| | Had above average income replacement ratio | 7.6** | 6.7** |
| | Had a better overall financial situation | 37% | 27% |

*On a scale of 1-5

**On a scale of 1-9

## SEX AND MARITAL STATUS DISTRIBUTION

The respondent group was 60% male and 40% female. Eighty-seven percent of the males and 33% of the females were married at the time of the survey, while 34% of the females and 5% of the males had never been married. The remaining 34% of the females either were widowed (27%) or separated or divorced (7%). Five percent of the males were widowers and 3% were separated or divorced.

**1972 Survey Findings.** *The respondents in the 1972 survey of retired TIAA-CREF annuitants were 61% male and 39% female. An exact comparison on marital status with the 1982 survey respondents is not possi-*

*ble because of answer category differences. In the 1972 survey, Single was grouped with Separated or Divorced, while in the 1982 survey Never Married was a separate category by itself. In the 1972 survey, 86% of the males and 21% of the females were married, while 23% of the females and 8% of the males were widowed. The remaining 56% of the females and 6% of the males were single, separated, or divorced.*

In the 1982 survey, there was very little difference among males in marital status by age, but for females there was a marked difference. As would be expected, a higher proportion of older females were widowed, 33% of those now over age 75 compared to 29% of those aged 70-75 and 21% of those aged 60-69. Also, however, a much higher proportion of older females had never been married, 55% of those now over age 75 compared to 35% of those aged 70-75 and 21% of those aged 60-69.

It was thought that sex and marital status would be differentiating variables for a number of items, and a profile analysis was done combining both variables. Six subgroups were analyzed: 1) married males, 2) never married females, 3) widowed, separated, and divorced females, 4) married females, 5) widowed, separated, and divorced males and 6) never married males. The analysis did reveal some significant differences among the subgroups (see Chart 9).

## ■ CHART 9 PROFILE: SEX AND MARITAL STATUS

| Subgroup | Significant Subgroup Characteristics | Response Comparison Subgroup | Others |
|---|---|---|---|
| **1** Male and Married (52% of Total) | **Higher proportion:** | | |
| | Were former faculty/administrators | 65% | 50% |
| | Retired at an older age | 64.5 | 64.0 |
| | Made very thorough retirement plans | 40% | 28% |
| | Were very happy with life generally | 58% | 52% |
| | Worked after retiring | 49% | 40% |
| | Did not perform volunteer service after retiring | 54% | 46% |
| | Owned home | 88% | 67% |
| | Had above average income | $29.1K | $18.2K |
| | Were living very well on income | 32% | 21% |
| | Had a better overall financial situation | 32% | 23% |
| **2** Female and Never Married (14% of Total) | **Higher proportion:** | | |
| | Were retired more years | 9.1 | 6.6 |
| | Were on older side of age range | 73.8 | 70.8 |
| | Performed volunteer service after retiring | 71% | 47% |
| | Rented home | 38% | 14% |
| | Relocated since retiring | 52% | 41% |
| | Had below average income | $16.6K | $24.8K |
| | Had an above average income replacement ratio | 7.2* | 6.8* |
| | | *On a scale of 1-9 | |
| **3** Female and Widowed, Separated or Divorced (13% of Total) | **Higher proportion:** | | |
| | Were former support staff | 36% | 17% |
| | Were moderately satisfied with retirement | 50% | 40% |
| | Were fairly happy with life generally | 51% | 36% |
| | Had not worked after retiring | 37% | 46% |
| | Rented home | 30% | 15% |
| | Had below average income | $13.8K | $25.4K |
| | Were living adequately on income | 48% | 29% |
| | Had a worse overall financial situation | 26% | 15% |

## ■ CHART 9 (Continued) PROFILE: SEX AND MARITAL STATUS

| Subgroup | Significant Subgroup Characteristics | Response Comparison Subgroup | Others |
|---|---|---|---|
| **4** Female and Married (13% of Total) | **Higher proportion:** | | |
| | Were retired fewer years | 5.9 | 7.1 |
| | Were on younger side of age range | 68.4 | 71.6 |
| | Were former support staff | 38% | 17% |
| | Retired at a younger age | 62.5 | 64.5 |
| | Retired by choice | 79% | 65% |
| | Were very happy with life generally | 64% | 54% |
| | Had not worked after retiring | 67% | 53% |
| | Owned home | 88% | 77% |
| **5** Male and Widowed, Separated, or Divorced (5% of Total) | **Higher proportion:** | | |
| | Were not very happy with life generally | 59% | 44% |
| | Had a below average income replacement ratio | 5.8* | 6.9* |
| | | *On a scale of 1-9 | |
| **6** Male and Never Married (3% of Total) | **Higher proportion:** | | |
| | Were on younger side of age range | 68.8 | 71.3 |
| | Rented home | 36% | 17% |

The largest subgroup, married males, were, in a number of ways, better off than other respondents. Their financial situations were more likely to be comfortable, they had planned more thoroughly for retirement, and they were more likely to be very happy with life generally. This subgroup had a proportionately large number of former faculty and academic administrators.

The next largest subgroup, never married females, tended to be older than other respondents. They were more likely than others to rent their home and to have moved after retiring. In general, their incomes were lower than average, yet compared well to their incomes just before they retired. They also were more likely than others to have been involved in volunteer and charitable activities during retirement.

Subgroup 3, consisting of females who were widowed, separated, or divorced, tended to be worse off financially than any of the other subgroups. They also were less positive than other respondents on retirement satisfaction and life satisfaction. This subgroup included a high proportion of former support-staff personnel.

Subgroup 4 respondents, females who were married, also included a high proportion of former support-staff personnel. This subgroup was younger, on average, and they tended to have retired at relatively young ages and by choice.

The remaining two subgroups, never married males and males who were widowed, separated, or divorced, were small in number and had few distinctive characteristics. The widowed, separated, or divorced males tended to have a low level of life satisfaction and to have relatively less income than just before they retired.

## SPOUSE'S EMPLOYMENT AND PENSION SITUATION

Married respondents were asked about their spouse's present employment status and also whether their spouse was or would be receiving a pension other than Social Security, based on the spouse's own employment. Eighty-three percent of the males said their wives were not presently employed and 13% reported their wives were presently working, 7% full-time and 6% part-time. Seventy-seven percent of the females indicated their husbands were fully retired and 23% said their husbands were presently employed, 12% full-time and 11% part-time. As would be expected, younger married respondents were more likely to have spouses who were working at the time of the survey.

Seventy-three percent of the married females and 31% of the married males reported their spouses were or would be receiving a separate pension based on the spouse's own employment. Older married males were somewhat less likely to have a wife receiving her own pension, 20% of those now over age 75 compared to 35% of those age 75 and younger. Married females who formerly worked as support-staff personnel were less likely to have a husband receiving a separate pension, 65% compared to 78% of other married females.

## FORMER OCCUPATION

The respondents were asked to classify themselves according to the kind of work they did during their working career. Six categories of occupation were listed: college-level faculty, college-level academic administration, private elementary or secondary school faculty, private elementary or secondary school academic administration, other professional or technical work, and support-staff specialist. Table 29 shows the distribution of the respondents by their reported former occupation, separately for males and females.

Proportionately more of the males had been college faculty members or in college academic administration, while proportionately more of the females had worked either as a faculty member or administrator in a private elementary or secondary school or had been employed in a support-staff capacity. An equal proportion of females and males had done other professional or technical work, both in and out of education, for the major part of their work careers.

**1972 Survey Findings.** *An exact comparison on former occupation with the respondents to the 1972 survey of retired TIAA-CREF annuitants is not possible because of answer category differences and because the 1972 group was allowed to give multiple answers. Roughly, the 1972 group included proportionately more former college-level faculty and administrators, about the same proportion of former private, elementary and secondary school faculty and administrators, and proportionately fewer former support-staff personnel and other professionals.*

A profile analysis based on sex and former occupation combined revealed a number of significant differences among the various subgroups. For this analysis, former faculty and administrators at both college level and elementary/secondary school level were joined. Overall, six subgroups were analyzed: 1) male former faculty or administrator, 2) female former faculty or administrator, 3) male former other professional, 4) female former support-staff, 5) female former other professional and 6) male former support-staff (see Chart 10).

The largest of the six subgroups, males who were faculty members or academic administrators for the major part of their work careers, tended to be older than other respondents. A high proportion of this subgroup was married and had retired from a college or university. They were more likely to have been "reluctant" retirees, yet to have planned well for retirement and to be satisfied with retirement and with life in general. Their financial situations were much more positive than any of the other subgroups.

Females who were faculty members or academic administrators for the major part of their work careers tended to be older than other respondents and to have been retired for relatively long periods. A high propor-

**■ TABLE 29** MAIN OCCUPATION OF WORK CAREER

| FORMER OCCUPATION | MALE % (base = 1,070) | FEMALE % (base = 724) |
|---|---|---|
| College faculty | 45 | 29 |
| College administration/management | 14 | 10 |
| Private elementary/secondary school faculty | 4 | 8 |
| Private elementary/secondary school administration/management | 1 | 2 |
| Other professional or technical | 22 | 22 |
| Support staff (clerical, maintenance, and service positions) | 14 | 29 |

## ■ CHART 10 PROFILE: SEX AND FORMER OCCUPATION

| Subgroup | Significant Subgroup Characteristics | Response Comparison Subgroup | Response Comparison Others |
|---|---|---|---|
| **1** Male and Former Faculty/ Administrator (38% of Total) | **Higher proportion:** | | |
| | Were married | 88% | 51% |
| | Were on older side of age range | 71.8 | 70.8 |
| | Retired at an older age | 65.0 | 63.8 |
| | Did not retire by choice | 37% | 30% |
| | Retired from a college or university | 86% | 61% |
| | Made very thorough retirement plans | 42% | 30% |
| | Were very satisfied with retirement | 54% | 48% |
| | Worked after retiring | 52% | 42% |
| | Had above average income | $30.0K | $19.0K |
| | Were living very well on income | 34% | 22% |
| | Had a better overall financial situation | 34% | 24% |
| **2** Female and Former Faculty/ Administrator (20% of Total) | **Higher proportion:** | | |
| | Were never married | 43% | 10% |
| | Were on older side of age range | 72.8 | 70.8 |
| | Were retired more years | 8.9 | 6.5 |
| | Retired from an independent school | 21% | 6% |
| | Performed volunteer service after retiring | 66% | 46% |
| | Had below average income | $20.0K | $24.3K |
| **3** Male and Former Other Professional (13% of Total) | **Higher proportion:** | | |
| | Were married | 83% | 62% |
| | Were on younger side of age range | 70.0 | 71.4 |
| | Were retired fewer years | 6.1 | 7.1 |
| | Retired from a college or university | 75% | 40% |
| | Worked after retiring | 54% | 43% |
| | Had above average income | $33.3K | $22.2K |
| | Were living very well on income | 35% | 26% |
| | Had a better overall financial situation | 36% | 27% |
| **4** Female and Former Support Staff (12% of Total) | **Higher proportion:** | | |
| | Were widowed, separated, or divorced | 40% | 16% |
| | Were on younger side of age range | 69.1 | 71.5 |
| | Were retired fewer years | 5.5 | 7.1 |
| | Did not make very thorough retirement plans | 76% | 64% |
| | Were not very satisfied with retirement | 60% | 48% |
| | Had not worked after retiring | 69% | 53% |
| | Had not performed volunteer service after retiring | 59% | 49% |
| | Had below average income | $13.2K | $25.3K |
| | Were living adequately on income | 47% | 29% |
| **5** Female and Former Other Professional (9% of Total) | **Higher proportion:** | | |
| | Were never married | 34% | 15% |
| | Were widowed, separated, or divorced | 36% | 17% |
| | Had performed voluntary service after retiring | 60% | 49% |
| | Had below average income | $18.3K | $24.0K |

## ■ CHART 10 (Continued) PROFILE: SEX AND FORMER OCCUPATION

| Subgroup | Significant Subgroup Characteristics | Response Comparison Subgroup | Others |
|---|---|---|---|
| **6** Male and Former Support Staff (8% of Total) | **Higher proportion:** | | |
| | Were married | 86% | 63% |
| | Were on younger side of age range | 69.9 | 71.3 |
| | Had below average health | 3.2* | 3.7* |
| | Retired at a younger age | 63.6 | 64.3 |
| | Had not worked after retiring | 68% | 54% |
| | Had not performed volunteer service after retiring | 85% | 47% |
| | Were fairly happy with life generally | 48% | 37% |
| | Had below average income | $12.7K | $24.7K |
| | Were living adequately on income | 51% | 30% |

*On a scale of 1-5

tion of them had never married and had retired from a private elementary or secondary school. They were more likely to have been active in voluntary and charitable activities during retirement and to have incomes that were below the average of all respondents, due in part to so many having never married.

Males who had worked principally in professional or technical capacities other than teaching or academic administration (Subgroup 3) tended to be younger than other respondents and to have been retired for relatively shorter periods. A high proportion of this subgroup was married and had retired from a college or university. They were more likely to have worked after retiring and to have a comfortable financial situation.

The females who had worked mainly in non-teaching, non-administrative professional or technical positions (Subgroup 5) were not as comfortable financially as their male counterparts. They included a high proportion who had never married or who were widowed, separated, or divorced. This subgroup was more likely than other respondents to have engaged in volunteer service after retiring.

Female and male respondents who worked in support-staff positions for the major part of their work careers (Subgroups 4 and 6) tended to be younger than other respondents and to have financial situations that were less positive. Also, they tended to be less active in retirement. As with those having other occupational backgrounds, the males tended to be married, while the females included a high proportion of not marrieds.

## EMPLOYER AT TIME OF RETIREMENT

Seventy percent of the respondents were working at a college or university at the time they retired, and 9% were employed by a private primary, intermediate, or secondary school when they retired. The remaining 21% of the respondents worked at either a research organization (6%), an educational service organization (5%), a teaching hospital (3%), or an organization outside the education sector (6%) at the time of their retirement. One percent did not indicate what type of organization they worked for when they retired. *(The respondents to the 1972 survey of retired TIAA-CREF annuitants had a similar distribution by employer at the time of retirement.)*

## NUMBER OF YEARS RETIRED

Most of the respondents had been retired for a relatively short period of time (see Table 30). About one-third had been retired for less than four years and about half had been retired for less than six years. Just 22% had retired more than ten years ago. The median number of years retired was 6.4.

Because the survey group was selected by a procedure that gave every TIAA-CREF annuitant over age 60 an equal chance of being picked, it necessarily included a large proportion of recent retirees. The TIAA-CREF annuitant population grew by 150% between 1973-1982, and over three-quarters of all TIAA-CREF annuitants at the time of the survey had started their retirement benefits within the past ten years.

A profile analysis of respondents was based on the number of years they had been retired (see Chart

## ■ TABLE 30 NUMBER OF YEARS RETIRED

| YEARS RETIRED | % (base = 1,794) | % (cumulative) |
|---|---|---|
| Less than 2 | 12 | 12 |
| 2-3 | 19 | 31 |
| 4-5 | 16 | 47 |
| 6-7 | 14 | 61 |
| 8-10 | 17 | 78 |
| 11-15 | 15 | 93 |
| 16-20 | 5 | 98 |
| More than 20 | 2 | 100 |

11). Four subgroups were analyzed: 1) those who had been retired for less than three years, 2) those who had been retired from three to five years, 3) those who had been retired from six to ten years, and 4) those who had been retired for more than ten years. Some, but not many, significant differences among the subgroups were revealed by the analysis.

Respondents who had been retired the shortest time, less than three years, were younger than other respondents and in better than average health. They were more likely to have retired by choice and to have been employed by an institution that offered retirement planning assistance. They also were more likely to be working and to be very happy with life generally. Their incomes tended to be above average, yet less than before they retired, and their overall financial situations were more likely not to have changed much since they retired.

Respondents who had been retired for the longest time, over ten years, contrasted sharply to those who retired most recently. They were older, in below average health, and included a proportionately large number of former faculty and academic administrators. They were less likely to have retired by choice and to have had an employer that offered retirement planning assistance. Their incomes (nominal) tended to be close to or even more than before they retired.

The respondents who had been retired in the mid-range periods, from three to five years or from six to ten years, had few distinctive characteristics to distinguish them from other respondents, aside from age and whether or not they retired voluntarily.

**1972 Survey Findings.** *In the 1972 survey of retired TIAA-CREF annuitants, the respondents were distributed according to the number of years they had*

## ■ CHART 11 PROFILE: NUMBER OF YEARS RETIRED

| Subgroup | Significant Subgroup Characteristics | Response Comparison Subgroup | Others |
|---|---|---|---|
| **1** Retired Less Than 3 Years (23% of Total) | **Higher proportion:** | | |
| | Were on younger side of age range | 66.2 | 72.6 |
| | Were married | 72% | 63% |
| | Had above average health | 3.8* | 3.6* |
| | Retired by choice | 77% | 64% |
| | Had last employer offer retirement planning help | 34% | 17% |
| | Were very happy with life generally | 61% | 53% |
| | Were currently employed | 28% | 18% |
| | Had above average income | $26.6K | $22.6K |
| | Had a below average income replacement ratio | 6.4** | 6.9** |
| | Had an unchanged overall financial situation | 61% | 47% |

*On a scale of 1-5

**On a scale of 1-9

## ■ CHART 11 (Continued) PROFILE: NUMBER OF YEARS RETIRED

| Subgroup | Significant Subgroup Characteristics | Response Comparison Subgroup | Response Comparison Others |
|---|---|---|---|
| **2** Retired From 3-5 Years (24% of Total) | **Higher proportion:** | | |
| | Were on younger side of age range | 68.3 | 72.1 |
| | Retired by choice | 74% | 65% |
| **3** Retired From 6-10 Years (31% of Total) | **Higher proportion:** | | |
| | Were on older side of age range | 68.3 | 72.1 |
| | Did not retire by choice | 41% | 29% |
| | Had last employer not offer retirement planning help | 84% | 77% |
| | Had below average income | $21.6K | $24.2K |
| **4** Retired More Than 10 Years (22% of Total) | **Higher proportion:** | | |
| | Were on older side of age range | 78.2 | 69.3 |
| | Were former faculty/administrators | 68% | 55% |
| | Had below average health | 3.4* | 3.7* |
| | Did not retire by choice | 39% | 31% |
| | Had last employer not offer retirement planning help | 90% | 76% |
| | Had an above average income replacement ratio | 7.4** | 6.7** |
| | Had a better overall financial situation | 38% | 25% |

*On a scale of 1-5

**On a scale of 1-9

*been retired in roughly the same proportions as the 1982 survey respondents. Forty percent had been retired for less than four years and about 60% had been retired for less than six years. Nineteen percent had been retired for over ten years. The median number of years retired was 5, compared to 6.4 years for the 1982 survey group.*

## WHEN JOINED TIAA-CREF

Respondents were asked to indicate the year they first joined the TIAA-CREF retirement system. Six percent began their participation in the 1930's or earlier, 13% entered in the 1940's, 23% started in the 1950's, 35% joined in the 1960's, and 13% became members in the 1970's. The remaining 10% did not report the year.

Former support-staff personnel were generally more likely to have entered the TIAA-CREF system later. half joined after 1964 compared to 22% of the former faculty and academic administrators and 37% of the former other professionals.

## WHEN TIAA-CREF ANNUITY INCOME WAS FIRST RECEIVED

Respondents were asked what year they began to receive their TIAA-CREF annuity income. Seventy-three percent started receiving TIAA-CREF annuity income within the ten years prior to the survey, from 1973 to 1982, 28% in either 1980, 1981, or 1982, 22% from 1977 to 1979, and 23% from 1973 to 1976. Fifteen percent began their TIAA-CREF income from 1968 to 1972 and 7% started their income before 1968. The other 5% did not answer the question.

Age at which TIAA-CREF annuity income began was calculated for each respondent (see Table 31). As with age at retirement (see Table 3), these ages cluster around age 65, and 61% had started their TIAA-CREF income from ages 62-66.

TIAA-CREF annuitants typically start their annuity income after they retire, although for most the two events occur within the same year, so the mean age for beginning income was about half a year older than

## TABLE 31 AGE WHEN BEGAN RECEIVING TIAA-CREF ANNUITY INCOME

| AGE WHEN BEGAN TIAA-CREF INCOME | % (base = 1,794) | % (cumulative) |
|---|---|---|
| Under 55 | 1 | 1 |
| 55-59 | 4 | 5 |
| 60 | 3 | 8 |
| 61 | 3 | 11 |
| 62 | 8 | 19 |
| 63 | 7 | 26 |
| 64 | 6 | 32 |
| 65 | 26 | 58 |
| 66 | 14 | 72 |
| 67 | 4 | 76 |
| 68 | 6 | 82 |
| 69 | 4 | 86 |
| 70 | 5 | 91 |
| Over 70 | 4 | 95 |
| Not classified | 5 | 100 |

the mean age at retirement. As with age at retirement, respondents who formerly were faculty or academic administrators tended to begin their annuity income later; their mean age was one year older than respondents who had other occupational backgrounds.

**1972 Survey Findings.** *Respondents in the 1972 survey of retired TIAA-CREF annuitants reported starting ages for their TIAA-CREF annuity income that were somewhat older than the 1982 group, but they also had retired at older ages on average. Twenty-six percent of the 1972 group began receiving annuity income from TIAA-CREF at age 65, the same proportion as the current group of respondents. However, just 17% of the 1972 respondents started their annuities when younger than age 65, compared to 32% of the 1982 respondents, while 50% of the 1972 group and 37% of the 1982 group were older than age 65 when they began their annuities. Seven percent of the 1972 respondents and 5% of the 1982 respondents did not indicate when they began to receive their TIAA-CREF annuity income.*

## SATISFACTION WITH TIAA-CREF SERVICE

Respondents were asked if, when arranging to begin their TIAA-CREF annuity income, they were satisfied with the service provided by TIAA-CREF at that time. For the typical TIAA-CREF participant, the process of beginning annuity income extends over several months, requires a number of decisions by the participant, and involves a considerable amount of correspondence and material from TIAA-CREF.

Ninety percent of the respondents reported they were either *Very Satisfied* (75%) or *Somewhat Satisfied* (15%) with TIAA-CREF's service and just 5% were *Not Satisfied*. The other 5% were either not certain (2%) or did not answer (3%).

# TECHNICAL NOTES

## The Sampling Procedure

The 2,200 people asked to participate in the 1982 TIAA-CREF annuitant survey were selected at random from TIAA-CREF's master file of annuitants in September 1982. Each selected annuitant had to fulfill four criteria. First, the person had to be a primary TIAA-CREF annuitant — someone known to have participated in the TIAA-CREF retirement system and, therefore, known to have been employed in education during his or her work career. (Second annuitants, mostly spouses or other relatives of the primary annuitants, were not included in the sample because it was not certain whether they had worked in education.)

The second criterion was age; the person had to be at least age 60. Annuitants under age 60 were excluded because of the higher probability that they had not yet retired.

The third criterion was receipt of TIAA-CREF retirement income monthly or quarterly. With few exceptions, TIAA-CREF annuitants who receive income less frequently than quarterly are people who had very short periods of participation in the TIAA-CREF system and, therefore, may not have been as interested in participating in the study. (At the time the sample was drawn, people receiving TIAA-CREF annuity checks less frequently than quarterly represented only 3.5% of all primary annuitants over age 60.)

The final criterion was residency in the United States. This made survey administration easier and less expensive.

The 2,200 study questionnaires were mailed in October 1982. Members of the survey group were asked to return the questionnaire uncompleted if they had never retired and forty people did so. A total of 1,814 completed questionnaires were returned although twenty arrived too late to be used in data analysis. The overall response rate of 84% was extraordinarily high for a mail survey, especially for one that covered so many areas.

We attribute the high response rate of this survey in part to the anonymity of the questionnaire. Another reason for the high response rate, we believe, was the survey group itself. They were mostly former educators and, therefore, familiar with research projects and comfortable dealing with questionnaires. The theme of the research — their own retirement experiences — perhaps motivated some to participate who otherwise might not have because it interested them. Also, of course, many of the respondents had a relationship with TIAA-CREF that encompassed much of their adult life. No doubt this contributed to their remarkable willingness to cooperate.

All answers associated with the full respondent group are within a tolerance of ±3% of the 1% level of confidence. This means that 99 out of 100 times a reported percentage should be within plus or minus 3% of the true value of the entire population. All answers associated with a subgroup of the full respondent group have a slightly larger tolerance interval.

## Representativeness

A comparison of the sex and age distributions of the respondent group (1,794) and the full sample group (2,200) shows that the two are similar on both variables. The male/female ratio is 59/41 for the sample and 60/40 for the respondents. The average age of the two groups is 71 and, as shown in Table A-1, the age distributions of the sample and the respondents are a close match.

The respondent group could not be matched with the sample group on any other variable, since no other was known for the sample. Therefore, additional tests of representativeness could not be carried out. We suspect, however, that the respondent group, as a whole, probably was in better health, received higher incomes, and had a better outlook on retirement than the full sample. Our premise is that people with physical, financial, or personal problems would be less likely to have completed the questionnaire.

## Data Analysis-Profile Charts

Selected data were analyzed by a technique called profiling, which uses multiple t-tests. The purpose was to identify the ways in which particular subgroups of respondents differ from one another. For each profile analysis, the total respondent group was divided into subgroups according to their answers to a particular question or set of questions. Then the answers of the respondents in one subgroup to other questions were compared with the answers of all other respondents to the same questions. Using the three subgroups formed by former occupation, for example, the answers of former faculty were compared with those of everyone else, then the answers of the professional/technical staff were compared with everyone else's and, finally, the answers of the support staff were compared with everyone else's.

## ■ TABLE A-1 AGE DISTRIBUTION OF THE SAMPLE AND RESPONDENT GROUPS BY SEX

| | MALE | | FEMALE | |
|---|---|---|---|---|
| Age group | Sample % (base = 1,298) | Respondents % (base = 1,070) | Sample % (base = 902) | Respondents % (base = 724) |
| 60-64 | 10.4 | 10.1 | 11.5 | 11.3 |
| 65-66 | 11.3 | 11.5 | 12.3 | 11.6 |
| 67-68 | 14.6 | 15.2 | 15.2 | 14.2 |
| 69-70 | 13.6 | 13.0 | 13.3 | 12.9 |
| 71-72 | 11.9 | 12.8 | 11.9 | 12.4 |
| 73-74 | 11.4 | 11.0 | 8.3 | 8.4 |
| 75-77 | 11.1 | 12.2 | 11.0 | 11.2 |
| 78-80 | 8.5 | 7.9 | 7.6 | 7.5 |
| 81-85 | 5.5 | 5.0 | 5.7 | 6.3 |
| 86 and older | 1.9 | 1.3 | 3.3 | 4.3 |

The answer comparisons indicated differences (and similarities) among the particular subgroups. We then proceeded to identify, by means of t-tests, specific characteristics that distinguished a subgroup from all other respondents to a degree that was statistically significant.

A t-test is a statistical technique used to measure the difference between the means of the answers of two groups. It involves a comparison of the variation in mean responses *between* the two groups (the subgroup and all other respondents) with the variation in mean responses *within* each of the two groups. We were interested only in those characteristics (differences) found to be significant at the .01 level of significance, i.e., the possibility that any difference was due to chance was just one in one hundred.

So, the profile findings in Charts 1-11 show how each subgroup displayed in a chart differs from the rest of the respondents at the .01 level of significance. However, a "significant characteristic" of a subgroup does not necessarily mean that a majority of the subgroup share this characteristic. It means only that the characteristic is present in the subgroup to a greater (or lesser) extent than in the rest of the respondents to a degree that is statistically significant.

Each profile analysis compared respondents on the following characteristics:

1. Age (current)
2. Age at retirement
3. Attitude toward retirement
4. Comparison of health now to health before retirement
5. Expectation for employment after retiring
6. Former occupation
7. General financial situation — comparison between present and preretirement situation
8. Health
9. Health insurance adequacy
10. Home ownership
11. Income
12. Income adequacy
13. Income replacement ratio
14. Length of time retired
15. Life satisfaction
16. Marital status
17. Reason for retiring
18. Satisfaction with retirement
19. Satisfaction with retirement plans
20. Sex
21. Thoroughness of retirement planning
22. Volunteer service after retiring
23. Whether or not last employer offered preretirement planning assistance
24. Whether or not respondent had income from each of the various sources
25. Whether or not respondent moved since retirement
26. Whether or not respondent was affected by inflation

TIAA CREF
ANNUITANT SURVEY

Teachers Insurance and Annuity Association
College Retirement Equities Fund

730 Third Avenue
New York
NY 10017
(212) 490-9000

# 1982 Survey of TIAA-CREF Annuitants

**SPECIAL INSTRUCTIONS:**

**1. Please do not sign your name to the questionnaire. To assure that all information will remain confidential, we want respondents to be anonymous.**

**2. Please complete and return the questionnaire only if you are now retired or, if now employed, previously had retired from your main occupation.**

**3. If you have never retired, please do not fill out the questionnaire, but check this box instead ☐ and then return the questionnaire so that we can count the people in your category.**

**4. Most questions can be answered simply by checking the box alongside the statement that best fits your situation or your opinion. Only a few questions require filling in numbers or writing a brief response.**

Ten years ago we conducted a comprehensive study of retired TIAA-CREF annuitants to obtain first-hand reports of their retirement situations. The cooperation of the people surveyed was extraordinary, and the study provided a considerable amount of useful information. Among other things, we have used this information in the development of retirement planning seminars that we now conduct throughout the country for participants and their spouses who are nearing retirement age.

Not much is constant in this rapidly changing world, including the experiences of people in retirement. So we are surveying today's retired TIAA-CREF annuitants to learn how they are faring. You are one of a group selected at random to represent all TIAA-CREF annuitants. By completing and returning this questionnaire you will be giving us current information that we can use to assess our services, our retirement planning seminars, and our communications with participants retired and not yet retired.

We will be most grateful to you for taking the time to fill out and return the questionnaire. Please try to answer all the questions and then return the completed form in the postage-paid envelope we have provided. We hope your effort will be rewarded by the knowledge that you are participating in a study to benefit present and future generations of retirees.

James Mulanaphy

James Mulanaphy
Study Director

P.S. If you want additional information about the study, please call me (collect, if long distance) at (212) 490-9000, extension 2291.

# PART I: Retirement Plans and Preparation

**Note: All percentages are on a base of 1,794 unless otherwise indicated.**

**1. At what age did you retire (first retirement if more than one)?**

| | | | |
|---|---|---|---|
| 8% | Under 60 | 33% | 65 |
| 20 | 60-62 | 20 | 66-69 |
| 11 | 63-64 | 8 | 70 and older |

**2. Did you retire by choice or were there factors beyond your control that forced you to retire?**

67% Retired by choice (ANSWER Q2a-b)

33 Did not retire by choice (GO TO Q2c)

— Other (Please specify):

**If you did retire by choice, please answer 2a-b below.**

**2a. What was the main reason you retired when you did? (Please check all that apply)**

(n = 1,208)

46% Had planned to retire at that age

13 Unhappy with work situation

3 Not performing the job up to my expectations

29 Retirement income was sufficient to do so

34 Felt it was time to retire

10 Spouse retired then

23 Wanted more time for self and/or family

33 Wanted to do other things besides work

5 Health

3 Family responsibility

3 Took a different job

**2b) If you could do it over, would you still retire at the same age, retire at a younger age, or retire at an older age?**

(n = 1,208)

67% Retire at same age

11 Retire at younger age

12 Retire at older age

8 Not certain

2 No response

**If you did Not retire by choice, please answer 2c below.**

**2c) Why did you retire when you did?**

(n = 581)

63% Reached employer's mandatory retirement age

15 Was forced by administration

9 Was disabled

8 Poor health

Other (Please specify):

5 Budget cutbacks/position eliminated

**3. As best as you can recall, how did you feel about the prospect of your retiring just before you actually did retire?**

- 58% Was looking forward to retiring
- 16 Was neutral about retiring
- 18 Disliked the idea of retiring
- 6 Not certain
- 2 No response

---

**4. Did your last employer offer employees counseling or other assistance in personal planning for retirement (other than providing a pension plan)?**

- 21% Yes
- 74 No
- 4 Not certain
- 1 No response

**If you answered Yes to this question, please answer 4a below.**

**4a) Did you receive pre-retirement planning assistance from your employer?**

(n = 374)

- 74% Yes (Please describe the help you received)
  (n = 278)
  - 42% seminar
  - 25% other
  - 21 One-to-one counseling
  - 7 No response
  - 5 Printed material
- 5 Assistance not offered to you
- 18 Declined assistance
- 3 No response

---

**5. Looking back at your own planning for retirement, how thorough a job of preparing for retirement would you say you did?**

- 35% Very thorough
- 48 Some, but not thorough
- 12 Did not plan at all for retirement
- 3 Not certain
- 2 No response

---

**6. Is there any area of retirement planning that you now wish you had given more attention?**

- 29% Yes (Please indicate what area this is)
  (n = 521)
  - 31% Finances income
  - 8% Hobbies
  - 17 Investments
  - 8 Housing
  - 13 TIAA-CREF pension
  - 7 Working after retiring
- 54 No
- 12 Not certain
- 5 No response

---

**7. In general, how satisfied are you now with the preparations you made for retirement?**

- 36% Very satisfied
- 51 Reasonably satisfied
- 8 Not satisfied
- 3 Not certain
- 2 No response

**8. In your opinion, do you feel participation in a formal retirement preparation program before retiring would be useful to most workers?**

| | |
|---|---|
| 71% | Yes |
| 5 | No |
| 22 | Not certain |
| 2 | No response |

**9. In general, how satisfied are you with your retirement?**

| | |
|---|---|
| 51% | Very satisfied |
| 41 | Reasonably satisfied |
| 5 | Not satisfied |
| 1 | Not certain |
| 2 | No response |

# PART II: Retirement Activities

**10. Before retiring, did you expect to work for salary or other compensation after you retired?**

28% Yes
63 No
9 Not certain

**11. Since retiring, have you ever worked for salary or other compensation?**

45% Yes (ANSWER 11a-e)
55 No (GO TO 11f)

**If you answered Yes to question 11, please answer 11a-e below.**

**11a) Are you presently working for salary or other compensation?**

21% Yes
79 No

**11b) Is (was) your work after retirement part-time or full-time?**

(n = 801)
80% Part-time
16 Full-time
3 Other (Please specify):
1 No response

**11c) What kind of work do (did) you do? (Please describe briefly)**

(n = 801)
25% Teaching
17 Consulting
6 Writing
25% Other professional work
12 Office work retail sales
7 Manual work

**11d) Was your main reason for working after you retired mostly non-financial or financial?**

(n = 801)
52% Combination of non-financial and financial
34 Non-financial only, e.g., enjoying working, wanted to do something
12 Financial only, e.g., wanted extra money
— Other (Please specify):
2 No response

**11e) Did you have much difficulty finding suitable work after you retired?**

(n = 801)
9% Yes (Please indicate what the difficulty was)
(n = 74)
32% No jobs
28 Age
4 Skills
10% Other
26 No response

88% No
3 No response

**If you answered No to question 11, please answer 11f below.**

**11f) Have you looked for paid work since retiring?**

(n = 988)
5% Yes
92 No
3 No response

**12.** **Since retiring, have you been involved with any unpaid voluntary or charitable activity?**

50% Yes (ANSWER 12a-c)
50 No (GO TO 12d)

**If you answered Yes to question 12, please answer 12a-c below.**

**12a) Are you presently doing unpaid voluntary or charitable activity?**

(n = 891)
76% Yes
22 No
2 No response

**12b) How many hours a week do (did) you normally devote to such activity?**

(n = 891)
41% 5 or less
25 6-10
17 More than 10
17 No response

**12c) What kind of voluntary or charitable activity do (did) you do? (Please describe briefly)**

(n = 891)
28% Community/civic
27 Educational/cultural
26 Church related
5% Hospital/health service
13 Helping the elderly
11 Non-specific

**If you answered No to question 12, please answer 12d below.**

**12d) Have you looked into doing unpaid voluntary or charitable activity since retiring?**

(n = 893)
8% Yes
86 No
6 No response

---

**13.** **Listed below and on the next page are a number of activities. Which do you presently pursue? For each activity, please check the YES box if you are involved with it or the NO box if you are not.**

| ACTIVITIES | PRESENTLY PURSUE YES | NO | NO RESPONSE |
|---|---|---|---|
| 1. Gardening and/or home improvement work | 71% | 28 | 1 |
| 2. Hobbies and/or crafts | 61% | 38 | 1 |
| 3. Attending a formal or informal educational program | 28% | 71 | 1 |

| ACTIVITIES | PRESENTLY YES | PURSUE NO | No Response |
|---|---|---|---|
| **4.** Participating in sports or a physical fitness program | 33% | 66 | 1 |
| **5.** Recreational travel | 66% | 33 | 1 |
| **6.** Community service and/or political activity | 35% | 64 | 1 |
| **7.** Participation in a professional association or other occupational-related organization | 32% | 67 | 1 |
| **8.** Participation in a civic, fraternal or other formal group | 31% | 68 | 1 |
| **9.** Participation in a retirees' club or organization | 23% | 76 | 1 |
| **10.** Socializing with friends on a regular basis | 75% | 24 | 1 |
| **11.** Religious or church activity (other than attendance and services) | 37% | 62 | 1 |
| **12.** Writing, painting, or other creative pursuit | 43% | 56 | 1 |
| **13.** Reading | 92% | 7 | 1 |

**14. Is there one of these activities (or more) that your especially enjoy doing?**

83% Yes (Please specify the activity(ies)) (n = 1,481)

| | | | |
|---|---|---|---|
| 38% | Reading | 22% | Creative pursuits |
| 27 | Hobbies crafts | 20 | Gardening home improvements |
| 26 | Recreational travel | 15 | Sports physical fitness |
| | | 15 | Socializing with friends |

11 No

6 No response

# PART III: Housing and Location

**15. Do you own or rent your home?**

72% Own house (ANSWER 15a)

6 Own condominium or cooperative unit (ANSWER 15a)

15 Rent apartment

3 Rent house

4 Other (Please specify):

**If you own your home, please answer 15a below.**

**15a) Do you make mortgage payments on it?**

(n = 1,397)

23% Yes (Please indicate how many more years you are scheduled to make payments)

(n = 318)

25% 5 or less

25 6-10

33% 11-20

17 More than 20

72 No

5 No response

---

**16. All things considered, would you prefer to continue living in your present home or would you prefer to move somewhere else?**

83% Prefer to stay in present home

10 Prefer to move (Please indicate why)

(n = 188)

21% More suitable home

19 Better climate

16 Safer area

10% Be nearer family

7 Reduce maintenance

5 Not certain

2 No response

---

**17. Do you share your home with anyone or live alone?**

57% Live with spouse only

8 Live with spouse and another (others)

24 Live alone

10 Live with another (others); no spouse

1 No response

---

**18. How many years have you lived in your present home?**

27% 5 or less

16 6-10

24 11-20

32 More than 20

1 No response

**19. Is your present home the one you lived in before you retired?**

57% Yes
43 No (ANSWER 19a-c)

---

**If you answered No to question 19, please answer 19a-c below.**

**19a) Did you move at or about the time you retired or did you move later?**

(n = 770)
59% Moved at or about retirement
39 Moved later
2 No response

**19b) Do you now live in the same area as you did before retiring?**

(n = 770)
22% Yes
73 No
5 No response

**19c) What was the main reason you moved?**

(n = 770)
29% A better climate
17 To live in a nicer area
30 To be nearer family or friends
16 To get a home of more appropriate size
9 Health
17 Reduce home maintenance responsibilities
15 Reduce cost of maintaining home
12 Reduce property tax

Other (Please specify)
4 Took a new job
3 Moved to a retirement community
2 Already owned home
2 No response

# PART IV: Financial Aspects of Retirement

**20. Listed below are various sources of retirement income. Please indicate by checking the appropriate box in Column 1 the sources from which you do or do not currently receive income. In addition, please give your best estimate of the percentage of total retirement income coming from each source by entering the percent figures in Column 2. (These figures should total to 100%). If married, include any income your spouse receives.**

| | 1 Receive Income From Source | | | 2 Percentage of Total Income From Source | | |
|---|---|---|---|---|---|---|
| RETIREMENT INCOME SOURCES | Yes | No | No Response | | | |
| 1. TIAA and/or CREF annuities | 98% | 0 | 2 | (n = 1,428) | 26%<br>21<br>26<br>27 | 1%-5%<br>6%-10%<br>11%-20%<br>More than 20% |
| 2. Social Security | 94% | 4 | 2 | (n = 1,356) | 25%<br>28<br>26<br>21 | 1%-20%<br>21%-33%<br>34%-50%<br>More than 50% |
| 3. Other pension (e.g., state retirement system) | 48% | 50 | 2 | (n = 751) | 26%<br>29<br>23<br>22 | 1%-10%<br>11%-25%<br>26%-40%<br>More than 40% |
| 4. Individual Retirement Account (IRA), personal Tax-Deferred Annuity (TDA or SRA) or Keogh plan | 7% | 91 | 2 | (n = 107) | 25%<br>24<br>27<br>24 | 1%-2%<br>3%-5%<br>6%-10%<br>More than 10% |
| 5. Current employment, including consulting or professional practice | 22% | 76 | 2 | (n = 338) | 25%<br>28<br>25<br>22 | 1%-5%<br>6%-15%<br>16%-33%<br>More than 33% |
| 6. Interest or dividends on savings, stocks, etc. | 82% | 16 | 2 | (n = 1,234) | 28%<br>27<br>22<br>23 | 1%-10%<br>11%-25%<br>26%-40%<br>More than 40% |
| 7. Drawing down savings, other annuities, life insurance, or other assets. | 15% | 83 | 2 | (n = 217) | 25%<br>22<br>23<br>30 | 1%-2%<br>3%-5%<br>6%-10%<br>More than 10% |
| 8. Other (e.g., royalties, rental income) | 20% | 78 | 2 | (n = 308) | 16%<br>24<br>37<br>23 | 1%-2%<br>3%-5%<br>6%-20%<br>More than 20% |

**21. Is any other person besides yourself (and spouse, if married) mainly supported by your household income?**

8% Yes
85 No
7 No response

**22. Considering all sources, please check the income category indicating the total annual income of your household for 1981 (before taxes and other deductions). If married, include any income your spouse receives.**

| | | | |
|---|---|---|---|
| 2% | Less than $ 5,000 | 12% | $20,001-$25,000 |
| 3 | $ 5,000-$ 7,500 | 10 | $25,001-$30,000 |
| 5 | $ 7,501-$10,000 | 8 | $30,001-$35,000 |
| 8 | $10,001-$12,500 | 6 | $35,001-$40,000 |
| 8 | $12,501-$15,000 | 10 | $40,001-$50,000 |
| 12 | $15,001-$20,000 | 10 | More than $50,000 |
| | | 6 | No response |

**23. Considering both income and expenses, how well would you say you are living?**

| | |
|---|---|
| 27% | Very well |
| 37 | Well |
| 31 | Adequately |
| 3 | Not too well |
| 2 | No response |

**24. Compared to when you retired, how do you feel your overall financial situation in general is now—better, worse, or about the same?**

| | |
|---|---|
| 28% | Better now |
| 17 | Worse now |
| 50 | About the same |
| 3 | Not certain |
| 2 | No response |

**25. Giving your best estimate, how does your current total income compare to your total income before you retired?**

Compared to preretirement income, current income is:

| | |
|---|---|
| 26% | More |
| 25 | About the same |
| 9 | Over three-quarters |
| 10 | About three-quarters |
| 7 | About two-thirds |
| 7 | Between half and two-thirds |
| 7 | About half |
| 2 | Between one-third and half |
| 2 | One-third or less |
| 5 | No response |

**26. Since you retired, have you regularly taken money from your savings or sold securities or other property to meet current expenses (but not to purchase something special)?**

| | |
|---|---|
| 12% | Yes |
| 84 | No |
| 2 | No savings or investments |
| 2 | No response |

**27. Since you retired, have you had to make any adjustments in your life style because of increases in the cost of living?**

29% Yes (Please specify the adjustment(s)) (n = 527)

| | | | |
|---|---|---|---|
| 33% | Less travel | 16% | Buying less clothes |
| 23 | Less dining out | 15 | Not buying as much |
| 21 | Cutting back extras | 15 | Cutting back basics |
| | | 12 | No response |

| | |
|---|---|
| 68 | No |
| 3 | No response |

# PART V: TIAA-CREF Participation

**The questions in this section cover aspects of your participation in the TIAA-CREF system both before you retired and after you started to receive annuity income.**

**28.** **Giving your best estimate, in what year did you first enter the TIAA-CREF retirement system?**

| | |
|---|---|
| 6% | Before 1940 |
| 13 | 1940's |
| 23 | 1950's |
| 35 | 1960's |
| 13 | 1970's |
| 10 | No reponse |

**29.** **For how many years since then until you retired did your employer(s) make contributions to your TIAA-CREF annuity?**

| | |
|---|---|
| 13% | 1-5 |
| 23 | 6-10 |
| 18 | 11-15 |
| 11 | 16-20 |
| 8 | 21-25 |
| 11 | More than 25 |
| 16 | No response |

**30.** **What year did you begin to receive your TIAA-CREF annuity income?**

| | | | |
|---|---|---|---|
| 3% | Before 1965 | 35% | 1975-1979 |
| 9 | 1965-1969 | 27 | 1980-1982 |
| 21 | 1970-1974 | 5 | No response |

**31.** **When arranging to begin your TIAA-CREF annuity income, were you satisfied with the service provided by TIAA-CREF at that time?**

| | |
|---|---|
| 75% | Very satisfied |
| 15 | Somewhat satisfied |
| 5 | Not satisfied (Please indicate why) |
| 2 | Not certain |
| 3 | No response |

**32.** **When the actual amount of monthly income you would first receive from your TIAA-CREF annuity was determined, was it about what you expected it would be?**

| | |
|---|---|
| 45% | Yes |
| 26 | No, somewhat less |
| 6 | No, somewhat more |
| 13 | Had not thought about it beforehand |
| 8 | Not certain |
| 2 | No response |

# PART VI: General Information

**The questions in this section request information that will enable us to learn how groups of respondents with similar characteristics differ or are the same in the ways they have experienced and reacted to retirement.**

**33.** **Please indicate:**

**a) Your present age**

| | | | |
|---|---|---|---|
| 11% | 60-64 | 18% | 75-79 |
| 33 | 65-69 | 7 | 80-84 |
| 29 | 70-74 | 2 | 85 and older |

**b) Your sex**

| | |
|---|---|
| 60% | Male |
| 40 | Female |

**c) Your present marital status**

| | |
|---|---|
| 65% | Married |
| 14 | Widowed |
| 16 | Never married |
| 5 | Separated or divorced |

**d) How many living children you have**

| | |
|---|---|
| 30% | None |
| 14 | One |
| 25 | Two |
| 16 | Three |
| 11 | Four or more |
| 4 | No response |

**If you are presently married, please answer questions 34-36** (n = 1,169)

**34.** **What is your spouse's age?**

| | | | |
|---|---|---|---|
| 8% | Under 60 | 14% | 75-79 |
| 18 | 60-64 | 4 | 80-84 |
| 32 | 65-69 | 1 | 85 and older |
| 23 | 70-74 | | |

**35.** **What is your spouse's present employment status?**

| | |
|---|---|
| 64% | Fully retired |
| 8 | Partially retired, employed part-time |
| 7 | Employed full-time |
| 17 | Never employed |
| 3 | Other (Please specify) |
| 1 | No response |

**36.** **Is your spouse receiving or expecting to receive a pension or annuity (other than Social Security) based on his or her own employment?**

| | |
|---|---|
| 40% | Yes |
| 58 | No |
| 1 | Not certain |
| 1 | No response |

**37. In general, how would you describe your health (and that of your spouse, if you are married) in relation to others your age?**

| YOURSELF | | SPOUSE (n = 1,169) | |
|---|---|---|---|
| 22% | Excellent | 18% | Excellent |
| 29 | Very good | 29 | Very good |
| 37 | Good | 33 | Good |
| 9 | Poor | 11 | Poor |
| 2 | Very poor | 2 | Very poor |
| 1 | No response | 7 | No response |

**38. How is your health now compared to your health in recent years?**

| | |
|---|---|
| 64% | About the same |
| 8 | Better now |
| 23 | Not as good now |
| 4 | Much worse now |
| 1 | No response |

**39. Are you in the Medicare program of Social Security?**

| | |
|---|---|
| 18% | Yes, Part A only (hospital insurance) |
| 70 | Yes, Part A and Part B (supplementary medical insurance) |
| 11 | No |
| — | Not certain |
| 1 | No response |

**40. Do you have any other health insurance coverage, either group or individual, besides Medicare?**

| | |
|---|---|
| 28% | Yes, under individual policy purchased by self |
| 51 | Yes, under group plan of former employer (yours or spouse's) or other organization |
| 11 | Yes, under both own policy and group plan |
| 9 | No |
| — | Not certain |
| 1 | No response |

**41. How would you describe your overall health insurance coverage?**

| | |
|---|---|
| 26% | Very good |
| 57 | Adequate |
| 10 | Less than adequate |
| 2 | Poor |
| 4 | Not certain |
| 1 | No response |

**42. What kind of work did you do during your working career (main occupation if more than one)?**

| | |
|---|---|
| 38% | College-level teaching |
| 6 | Elementary or secondary school teaching |
| 12 | College-level management or administration |
| 2 | Elementary or secondary school management or administration |
| 22 | Other professional or technical work, (e.g., accountant, engineer, librarian, physician) |
| 20 | Support specialist (e.g., craftsman, payroll assistant, secretary) |
| — | Other (Please specify) |

**43. What type of organization did you work for at the time of your retirement?**

| | |
|---|---|
| 70% | College or university |
| 9 | Primary, intermediate, or secondary school |
| 5 | Educational service organization other than a teaching institution |
| 6 | Research organization |
| 3 | Hospital |
| 6 | Non-educational organization (e.g., bank, industrial firm, government agency, law firm) |
| 1 | Other (Please specify) |

**44. Taking all things together, would you say you are now generally very happy with life, fairly happy or not too happy?**

| | |
|---|---|
| 55% | Very happy |
| 38 | Fairly happy |
| 4 | Not too happy |
| 3 | No response |

## PART VII: Your Views on Retirement

**In this last section we would like your comments in response to two broad questions covering your personal experiences in retirement. Your replies will provide useful information that we can share with present and future retirees. We believe that someone can best anticipate the problems and rewards of retirement by learning about them from people already retired.**

**We especially want your comments on:**

1. **What are the main attractions and also the main drawbacks of retirement from your point of view, and**
2. **If you could, what would you do (or have done differently) to make your retirement more rewarding.**

TIAA CREF

ANNUITANT SURVEY

**Thank you for your help. Please return the completed questionnaire in the enclosed postage-paid envelope.**